FINANCIAL TIMES
PUBLISHED IN LONDON AND FRANKFURT
No. 29,164
Saturday November 5 1983
35p
CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 35; DENMARK Kr 7.00; FRANCE Fr 6.50; GERMANY DM 2.00; ITALY L 1,100; NETHERLANDS Fl 2.25; NORWAY Kr 6.00; PORTUGAL Esc 65; SPAIN Pta 85; SWEDEN Kr 6.50; SWITZERLAND Fr 2.00; EIRE 60p; MALTA 30c

SAVINGS AND INVESTMENT P7 Paris comes into fashion
BOOKS P12 Noel Annan reviews the young Maynard Keynes
FEATURES P16 THE USM High risks, high rewards
P17 Storm over the Severn bridge
WEEKEND BRIEF P17 The two loves of John Aspinall

HOW TO SPEND IT P13 Fine fare by post

NEWS SUMMARY

IRA classroom bomb kills one; injures 37

An RUC police inspector died and 37 people were injured when an IRA bomb blew out the wall of a classroom at Ulster Polytechnic, Belfast, yesterday.

Rev Ian Paisley, leader of the Democratic Unionist Party, imediately called on Prime Minister Margaret Thatcher to cancel this weekend's Anglo-Irish summit, claiming that the bomb was timed to coincide with the talks.

"This diabolic and devilish act will not in any way weaken the resolve of the Ulster people or force them to capitulate to the goals of terrorists and this summit will only encourage such acts," he said.

The off-duty policemen had been studying criminology when the hidden bomb went off on the top floor of the block, seven miles from the city centre. RUC Assistant Chief Constable Bill McMaster condemned the attack and said the classes were often changed at the last minute. The room could have been full of civilian students.

Nineteen of the injured, who included students and staff, were later released from hospital, but three—all policemen—were critically ill.

GENERAL

Nilsen found guilty of murder

Civil servant Denis Nilsen, 37, was found guilty of six murders and two attempted murders at the Old Bailey. He had pleaded not guilty on the grounds of diminshed responsibility.

Nilsen, who described himself as the "murderer of the century," had confessed to strangling 16 young men in four years. He was jailed for life, with a recommendation that he serve a minimum 25 years.

Peace car chase

Two U.S. police cars, driven by American servicemen, rammed a car driven by a male peace protestor as it headed for an aircraft unloading at Greenham Common air base.

Plutonium lost

The Atomic Energy Authority said it could not account for more than three pounds each of plutonium and highly-enriched uranium but that a likely explanation was "uncertainties" in measurements.

Sergeant killed

One soldier died and two others were injured in an explosives accident on Sennybridge training range in mid-Wales.

M1 fog pile-up

A lorry driver died and six people were seriously injured in a multiple pile-up in fog on the M1 near Redbourn, Hertfordshire. The crash caused a six-mile traffic jam.

Death crash

Two people died when their two-seater aircraft, en route from Ostend to Biggin Hill, Kent, crashed into woodland near Farnborough.

De Lorean probe

John De Lorean is willing to come to Britain to give evidence to the Parliamentary inquiry into the failure of the Belfast car company, but is unlikely to be allowed to leave the U.S. Back Page

Armed raid

An armed gang stole £65,000 from the main post office in Galway in the Irish Republic. They were believed to be on a terrorist fund-raising mission.

Briefly . . .

Last posting day for Christmas surface mail to U.S. is November 9.

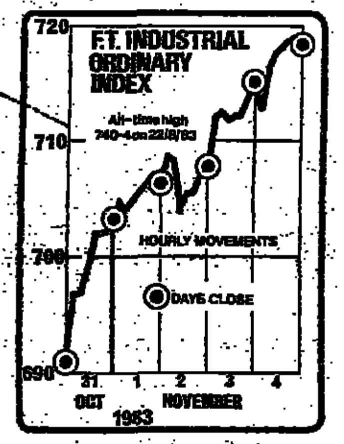
Two days' rain ended three-year drought in southern Spain.

Tottenham Hotspur drawn to meet Bayern Munich in third round of UEFA Cup.

BUSINESS

Equities at year's best

● EQUITIES stood at their best levels for a year, with both institutions and small investors encouraged by recent official predictions for the economy. The FT Industrial Ordinary index closed 3.6 higher at 718.3, for an overall rise on the week of 27.2. Page 24



● GILTS drifted as investors awaited this week's U.S. money supply figures. Longs fell ½ and short closed mixed. Page 24

● STERLING eased 25 points to $1.487, but rose to DM 3.97 (DM 3.955), FFr 12.055 (FFr 12.025), SwFr 3.2275 (SwFr 3.2175) and Y352 (Y349.25). Its trade-weighted index rose to 83.9 (83.7). Page 21

● DOLLAR rose to DM 2.6685 (DM 2.6545), FFr 8.1075 (FFr 8.075), SwFr 2.169 (SwFr 2.158) and Y236.45 (Y234.25). Its trade-weighted index rose to 128 from 127.2. Page 21

● GOLD rose $4¾ to $382½ in London, while in New York the Comex November settlement price was $380.2. Page 21

● WALL STREET was 10.16 down at 1,216.97 just before the close. Page 20

● PARLIAMENTARY Bill to exempt the Stock Exchange from proceedings under restrictive trade practices legislation has been published. Back Page

● U.S. FEDERAL Communications Commission has denied permission to British Telecom and American Telephone and Telegraph for a transatlantic videoconference service for business, following objections from rival Satellite Business System. Back Page

● UK has threatened to block EEC money being spent on energy-related projects of particular interest to West Germany, Italy or France unless the Community agrees on aid for the coal industry. Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Ansbacher (H.)	83	+ 8
Applied Computer	390	+ 15
BAT Inds	161	+ 7
Barclays Bank	455	+ 25
Burton	360	+ 12
Cray Electronics	153	+ 10
Eagle Star	598	+ 8
Erskine House	102	+ 10
Ferguson Indl	128	+ 8
Goldberg (A.)	80	+ 8
Hogg Robinson	130	+ 4
ICI	592	+ 6
Juliana's	380	+ 20
Land Securities	337	+ 5
Lloyds Bank	483	+ 31
MEPC	243	+ 5
Park Place Invs	218	+ 11
Phoenix Assurance	361	+ 10
Reed (Austin) A nv	141	+ 9
Royal Worcester	322	+ 14
Utd Scientific	375	+ 20
Atlantic Res	685	+ 50
Saxon Oil	233	+ 26
Anglo Amer Gold	£85¼	+ 1½
Randfontein Ests	£74⅝	+ 3⅛
St Helena	£22¼	+ 2¼

FALLS		
Treas 13pc 2000	£120⅜	− ½
Amersham Intnl	231	− 4
Babcock Intnl	138	− 6
British Land	90	− 3
Electrocomponents	230	− 13
Horizon Travel	135	− 7
Powell Duffryn	228	− 10
Sedgwick	205	− 6
Tern-Consulate	35	− 3
Unitech	203	− 7

Israeli jets strike after Lebanon base blast

BY DAVID LENNON IN TEL AVIV

ISRAEL LAUNCHED massive air strikes against Palestinian targets in central Lebanon yesterday in retaliation for a huge bomb explosion which destroyed the Israeli security forces headquarters in Tyre in the early morning.

Twenty-nine Israeli soldiers and 10 Palestinian or Lebanese prisoners were killed when an explosive-laden truck blew up in the compound of the security forces' headquarters. The civilian casualties were held in the compound's detention and interrogation centres.

The army said last night that another 29 Israelis were wounded in the blast, five seriously. No figure was given for the number of Lebanese and Palestinian wounded.

Within hours of the blast, the Israeli Air Force had launched reprisal raids against Palestinian targets along the Beirut-Damascus highway and in the Chouf mountains, destroying many buildings as well as tanks and long-range artillery belonging to the Syrian Army.

Syria denied that any of its troops had been attacked.

The air raids began before noon and further strikes were carried out in the afternoon.

The Islamic Jihad (Holy war) Organisation, claimed responsibility for the attack. The same fanatical, pro-Iranian Shiite group also said it carried out the car bomb attacks on the U.S. and French bases in Beirut nearly two weeks ago.

Officials in Jerusalem said yesterday that the name of the organisation did not matter because the guiding hand was provided by the Palestine Liberation Organisation and its allies in Lebanon. Prof Moshe Arens, Israel's Defence Minister, said there were 15 terrorist groups who worked together in this "chain of terror against Israel and others."

The PLO itself remained locked in bitter battle yesterday in the north of Lebanon where Mr Yassir Arafat, the chairman of the organisation, is under siege from dissident guerrilla forces backed by Syria. At least 25 Arafat supporters were reported killed and another 70 wounded as shell fire hit two refugee camps north of Tripoli.

Many Palestinians believe that these battles will decide Mr Arafat's fate and bring the PLO under the political control of Syria.

The attack on Israeli forces took place shortly after 6 am. A Chevrolet pick-up truck drove towards the compound of the three buildings which form the headquarters of Israeli security just outside Tyre in south Lebanon.

Because only Israeli military vehicles are allowed into the compound, and the recent car car bombings of the U.S. and French bases, the Israeli guards opened fire on the truck.

Although the driver was probably hit, the truck burst into the compound and blew up 20 yards short of the buildings. The explosives, estimated to have weighed at least half a ton, destroyed two of the buildings and badly damaged the third.

The Palestinian prisoners were held in a ground floor cell block. Many appear to have been killed as they slept. Others tried to escape but were forced back by the Israeli troops. The Israeli rescue team used lifting equipment bought after an explosion destroyed the former security headquarters in Tyre a year ago, killing about 80 people.

The Tyre bombing will strengthen the hands of those in Israel who want the closure of the Awali River bridges between Israeli-occupied south Lebanon and the rest of the country.

They want this as a security move and in response to the efforts by Syria to force President Amin Gemayel's government to abrogate the May 17 accord for Israeli withdrawal from Lebanon in return for a degree of Lebanese recognition for Israel.

The Lebanese national reconciliation talks in Geneva were adjourned for 10 days yesterday to allow President Gemayel time for international talks. He will visit the U.S. and Europe to discuss possible modifications to the Israel-Lebanon agreement which will answer criticism from the Lebanese left and Syria that the accord provides major political benefits for Jerusalem.

Bomb attack and Geneva peace talks, Page 2

BA starts staff profit-sharing

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS is introducing a profit-sharing bonus scheme for all its UK staff. The scheme unprecedented in any nationalised industry, takes immediate effect.

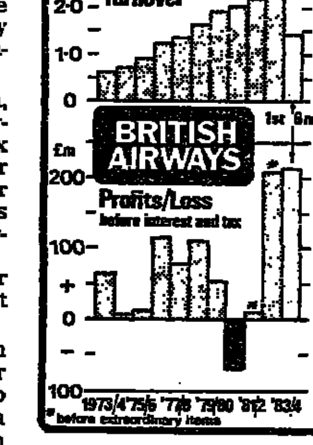
Announcing it in London, yesterday, Lord King, the chairman, said that in the first six months of this financial year the airline had a net profit after interest and tax of £162m. This compared with £80m in the corresponding period of 1982.

The airline was on target for a full-year profit of at least £200m.

The chairman warned British Caledonian Airways and other independent airlines seeking to conduct what he called a "smash - and - grab raid" on British Airways' routes and other assets that the State airline intended to increase competition.

"We intend to get into any market where we think we can make a profit," he said. "We will compete wherever and whenever we can.

"The independents have built their businesses on the lack of competition from British Airways. They are always preaching competition. Now they are going to get it."



Lord King described the British Caledonian plan to acquire some of BA's assets before privatisation as "rather cheeky."

He said that Sir Adam Thomson, chairman of British Caledonian, had his timing wrong. The boarding party he is planning would have stood a better chance of success some time ago, when we were in financial difficulties, rather than now."

Lord King said BA's profit-sharing scheme was not just a "token gesture." Profits already earned this year would be taken into account.

When operating profits exceeded £150m a year, all permanent UK-based staff of any rank would get bonuses on a rising scale.

An operating surplus of £200m, for example, would produce a bonus for all of one week's basic pay. Surpluses of £250m would ensure a two-week bonus, £300m a three-week bonus, and £350m a four-week bonus.

There would be no ceiling to the scheme. "The better the operating surplus, the bigger

Continued on Back Page
British Airways prepares to repel boarders, Page 2
Lex, Back Page

Two champagne houses taken over

BY DAVID HOUSEGO IN PARIS

BSN — Gervais Danone, the leading French food-processing group, yesterday bought control of Pommery and Lanson, two of France's most prestigious champagne houses.

The takeover makes BSN, which has no other champagne interests, the third or fourth largest champagne producer.

The deals mark a departure for BSN, which until now concentrated on everyday food products including beer, soft-drinks, yoghurt and tinned and dried foods.

It will account for 5 per cent to 6 per cent of champagne production, which is about level with Veuve Clicquot though behind Mumm with its 6.5 per cent share and Moet-Hennessy with 14.5 per cent.

The diversification is in line with BSN's strategy of buying into well-known companies which are also market leaders. It also strengthens the group's export position for 55 per cent of Pommery and Lanson's turnover, expected to total FFr 450m (£37m) this year, comes from foreign sales.

BSN has bought the 60 per cent holding in the two champagne houses owned by the Gardinier family, and the 15 per cent to 20 per cent held by Caisse Centrale des Mutuelles Agricoles, the agricultural pension fund.

The remaining shares in the two champagne houses are held by the Polingnac and Lanson families, though a small minority of Pommery's shares is held by private investors and the stock is quoted on the French Bourse. If BSN gains control of all the shares the takeovers would cost it about FFr 600m.

BSN is paying for the takeovers one-third in cash and two-thirds with its own shares. It will make a new share issue early next year.

In the case of the Pommery shares BSN is paying yesterday's bourse price of FFr 1,245 a share. Minority holders are being offered cash.

Part of the takeover's attraction is that BSN believes it can reinforce Pommery's and Lanson's export sales with its own wide-ranging international sales and marketing network. BSN itself is a relative newcomer to the food industry. It began to diversify out of glass-making about ten years ago.

Together Pommery and Lanson have more than 475 hectares of vineyards in the Rheims area and have stocks of 40m bottles of champagne. This year's estimate of a combined turnover of FFr 450m is based on another record champagne harvest after last year's also exceptional vintage.

CONTENTS

For latest Share Index phone 01-246 8026

BP likely to make £340m on Forties deal

By Ian Hargreaves

BRITISH PETROLEUM'S sale by tender of 12.5 per cent of its share of the North Sea Forties Field closed yesterday amid indications that the deal would yield the company more than £340m before tax.

BP said that at the close of tenders for 10 per cent of the field, divided into 40 separate 0.25 per cent units, offers had been received for 82 units.

The City believes the over-subscription will allow BP to set a striking price in excess of £7m a unit, compared with the minimum tender price of £5.25m set when the deal was announced.

In addition to the £280m-£290m raised by this part of the sale BP has concluded two separate deals to sell a further 2 per cent of its Forties stake.

The price agreed for this component of the field is expected to be slightly less than the tender figure, amounting almost to a further £50m on the total transaction.

Buyers of these 1 per cent stakes have not been named but are reliably understood to be Trafalgar House, the shipping and property group, and OK Exploration UK, an offshoot of Oljekonsumentarnas Foerbund of Sweden.

Bidders for the 40 units have not been named. BP said it would give details and prices by the end of next week, but would be able to identify those who had succeeded only with their agreement.

During the next few days the oil company must decide, in consultation with the Department of Energy, which of the bids it intends to accept.

The Government holds the power of veto on any licence transfer in the North Sea.

Though the main principle determining distribution will obviously be price. BP has some flexibility, in that it has said no bidder will be allowed more than eight units.

It remains to be seen whether as few as five companies emerge with the entire 10 per cent, or whether as

Continued on Back Page

IBH seeks court bar on creditors

BY JOHN DAVIES IN FRANKFURT AND IAN RODGER

IBH, the fast-growing West German construction equipment group, now the world's third largest, applied yesterday for court protection from its creditors.

The group wants creditors to write off 60 per cent of their claims, and to settle for the remaining 40 per cent in 18 months.

Herr Horst - Dieter Esch, founder of the group and its chief executive, said last night that IBH had total bank debts worldwide of DM 550 (£140m) and suppliers' credits of DM 223m.

IBH had a turnover of DM 2.5bn (£636m) last year and comes after Caterpillar of the U.S. and Komatsu of Japan in the construction equipment league table.

Herr Esch has built it up over the past eight years, largely through a series of takeovers. The group employs about 11,000 workers in West Germany, France, the UK and North and South America.

With the construction equipment industry suffering a drastic fall nn orders, IBH had a loss of DM 112m last year. But Herr Esch said earlier this week that he expected to halve the loss this year.

Last night he said that his decision to seek court protection was touched off by the rescue operation carried out earlier this week by major German banks to rescue the private bank of Schroeder, Muenchmeyer, Hengst (SMH), which has a close association with IBH.

"Yesterday morning when I came to the office I was confronted with telexes from banks cancelling their lines of credit." Herr Esch said.

He said he faced the choice of using up IBH's resources to meet immediate demands for repayments, or turning to the courts to seek a plan for restructuring the group.

"IBH did not have any difficulties," Herr Esch said. He confirmed that SMH was one of the main creditors of IBH, but declined to name others.

IBH applied to the district court in Mainz, where the group has its headquarters, for protection under a procedure known in West Germany as Vergleich (composition).

The court appointed a local lawyer, Dr Wolfgang Petereit, to supervise the procedure. Dr Petereit said last night that he would have talks with IBH to get a "picture of the business," and would then meet creditors.

For the plan to succeed IBH needs agreement of more than half its creditors, representing 80 per cent of its debts.

The composition process does not include Wibau, the construction equipment company in which IBH has only a minority stake. Herr Roland Spicka, Wibau's chief executive, said last night that the company was not making a loss and did not have excessive debts.

Herr Esch, aged 40, has a personal stake of just under 9 per cent in IBH. Other major shareholders include the Dallah Establishment of Saudi Arabia; and General Motors of the U.S., each with just under 20 per cent; Powell Duffryn of the UK, with 13.2 per cent; and Babcock International of the UK with 10.1 per cent.

GM said yesterday only that it would honour any obligations it had as a shareholder. Babcock and Powell Duffryn emphasised that any write-offs of IBH equity in their balance sheets, respectively £19m and £14.9m, would have no effect on current trading.

Babcock shares dropped 6p to close at 138p in London last night, while Powell Duffryn shares were off 10p to 228p. Shares of Blackwood Hodge, the troubled construction equipment distribution company that relies heavily on IBH products, fell 3½p to 8p.

Babcock has said it might be interested in buying some of IBH's shares in Wibau, to which the British company sold its construction equipment business last year for about £16m.

Powell Duffryn, which sold its Hymac excavator-manufac-

Continued on Back Page
How Esch made his rivals sit up, Page 23
Lex, Back Page

£ in New York

	Nov. 5	Previous
Spot	$1.4885-4895	$1.4890-4900
1 month	0.05-0.07pm	0.05-0.07pm
3 months	0.25-0.27pm	0.20-0.22pm
12 months	0.69-0.94pm	0.75-0.80pm

Greece to seek big rise in EEC funds

By Kevin Brown

MR Andreas Papandreou, the Greek Prime Minister, indicate yesteray that Greece will press the EEC summit meeting of heads of government in Athens in December to approve an increase in the European Community's main source of income by twice as much as that proposed by the European Commission.

Mr Papandreou met Mrs Margaret Thatcher, Britain's Prime Minister, for 45 minutes at Downing Street yesterday, in what were described by the Greeks as "substantive and constructive talks" and by the British as "a frank exchange of views."

The two leaders agreed to disagree on East-West relations and the deployment in Europe of U.S. cruise and Pershing missiles, on which Socialist Greece maintains a critical line.

There was also detailed discussions of the budgetary problems facing the EEC and agreement that tough decisions will have to be taken at the Athens summit at which Greece will be in the chair.

Mr Papandreou told Mrs Thatcher that Greece will press for an increase in the ceiling of the Community's own resources—its share of the revenue raised through Value Added Tax—from 1 per cent to 1.8 per cent.

This is double the increase proposed by the Commission which has suggested a ceiling of 1.4 per cent, and would effectively bury the EEC financing issue for years to come.

The Greeks were unwilling to expand on the reasoning behind their proposal, but they have complained bitterly that the present arrangements give them a bad deal.

Such a high ceiling might relax the Community purse strings, releasing more money through the social and regional funds from which Greece might benefit.

Mr Papandreou may also hope to free more money for subsidies to Greece's Mediterranean crops, principally olive oil, raisin ands figs.

The Government's position repeated yesterday in a speech by Sir Geoffrey Howe, the Foreign Secretary, is that Britain will consider an increase in the VAT ceiling only if agreement is also reached on a permanent framework for budget contributions and on limiting the rate of increase in Community spending.

Rome to deploy cruise missiles in a few weeks

By Alan Friedman in Rome

ITALY IS expected to deploy U.S. cruise missiles simultaneously with Britain and West Germany, and a shipment of at least 16 cruise missiles with associated equipment will arrive within the next few weeks, according to U.S. diplomats in Rome.

Although the Government of Prime Minister Bettino Craxi has said repeatedly that the missiles would not become "fully operational" — able to be fired — until next March, there were signs yesterday that such capability might be achieved well before then. A U.S. official said the missiles, to be delivered to Sicily before the year end, would become operational "a short time" *after their arrival.*

It is expected that at least 16 cruise missiles will arrive at the U.S. Navy air base at Sigonella, around 100 km from the eventual permanent base at Comiso in central Sicily.

Bomb attack drags Israel back into Lebanon conflict

BY PATRICK COCKBURN.

THE FRAGILITY of the ceasefire in Lebanon arranged in September was never in doubt. The surprise *of the last two* weeks is in the savagery with which the truce has been broken by warring factions and foreign armies in Lebanon.

Mr Yassir Arafat, chairman of the Palestine Liberation Organisation, faces what may be an all-out assault on his last redoubt in Tripoli.

At the same time, the Israelis *have* responded to yesterday's suicide attack on their military headquarters in Tyre with bombing raids on what they describe as Palestinian concentrations near Beirut.

The most significant new development is the return of Israel to active military involvement in Lebanese affairs.

Since the start of the mountain war between Druze and Christian militia in September, the Israelis have been strangely silent. It was the withdrawal of their forces to the Awali river north of Sidon which sparked off the conflict, but they kept out of the fighting despite please for help from the Christians.

The U.S. also made efforts to get the Israelis to play a wider role in the war so that Washington did not have to expand its commitment. But the Israelis were recalcitrant.

There was little advantage to them in getting caught up in Lebanon's simmering civil war and they were more conscious of the dangers of this than the U.S. Mr Menachem Begin had just resigned as Prime Minister of Israel, and his country's economic crisis gets worse by the day.

There have been a series of attacks on Israeli soldiers in southern Lebanon in the past two weeks. Four Israelis have been killed and Jerusalem warned that it might close off the south of Lebanon to civilian traffic, thus effectively partitioning the country.

Yesterday's bombing, apparently a carbon copy of the attack which killed 230 marines and 58 French paratroopers a fortnight ago, must make it very likely that the border will now be closed.

An escalation in attacks on the Israelis was expected but nothing on the scale of the Tyre bomb. The Israelis, like the U.S., have clearly underestimated the violence of Lebanese politics.

They immediately reacted as in the past by bombing Palestinians in Bhamdoun and Sofar, though the former town is largely held by Druze and leftist militiamen. The anti-Arafat Palestinian guerrillas claim that only 500 of their men are assisting the Druze.

The air strikes are likely to have killed more Syrians, who hold Sofar, and Druze than Palestinians. It is a measure of the confusion in Lebanon that the blast is most likely to have been caused by some group from the Shia community.

They are the largest group in southern Lebanon, increasingly hostile to the Israeli occupiers and with a tradition of suicide attacks.

The hope of the Israelis in pulling out of the Chouf, where Maronite and Druze fought a vicious civil war, was to limit their losses. It clearly has not worked.

The Shia are proving more dangerous than the Druze or the Palestinians and it is not easy to see how the Israelis can counter the suicide bombers.

Amal is the Shia political and military grouping but it is largely an umbrella organisation to which local vigilante groups give support.

These are often heavily armed, usually by the Syrians, and ideologically influenced by the Iranian Revolution. Posters of Ayatollah Khomeini the Iranian leader are common on walls in south Beirut and the Iranian ideal of martyrdom for the cause has clearly found many adepts in Lebanon.

Israel may well see Syria as the hand behind yesterday's bomb—a suspicion already voiced by the U.S. in looking for those responsible for the death of the marines.

Bombing Syrian positions around Sofar is an ominous escalation of hostilities between Damascus and Jerusalem.

With 13,000 Israeli troops in the south of the country and over 30,000 Syrians in the Bekaa Valley in the east and to the north, there is a risk that such clashes could lead to another war.

Though opinion polls show that most Israelis feel that it was a mistake to advance north of the Awali last year, there is a minority which feels the Israeli army did not go far enough.

This is argued by some of those around Gen Ariel Sharon, Israeli Defence Minister at the time of the invasion. They say their mistake was not to take the whole of Lebanon and destroy the Syrian army in the process.

If the Israelis continue to suffer casualties behind the Awali river line then General Sharon's plans will begin to be heard of again.

For the Lebanese leaders meeting in Geneva, the future looks grim. They have ended their meetings until November 14, while President Gemayel goes to Washington to see what pressure can be placed on the Israelis to withdraw. There is little chance that he will get anywhere.

The choice of Geneva for what was billed as a national reconciliation meeting is indicative of the degree of distrust between the leaders. Lebanon no longer has many of the characteristics of a nation state.

Israel and the U.S. have become participants in Lebanon's long-running civil war and have little idea how to end their entanglement.

For Mr Arafat, making what may well be his last stand near Tripoli, there must be some bitter satisfaction in the reflection that the defeat of the PLO last year has brought his arch-enemies in Washington and Jerusalem so little satisfaction.

Geneva peace talks 'cross psychological barrier'

THE LEBANESE peace talks, grouping together all the factions involved in the country's civil war, have made significant progress towards defusing the conflict, Anthony McDermott reports from Geneva.

While there has obviously been no breakthrough in efforts to secure a lasting peace, the most contentious issue of the recent Lebanese-Israeli accord on Israel's troop withdrawals has been temporarily set aside.

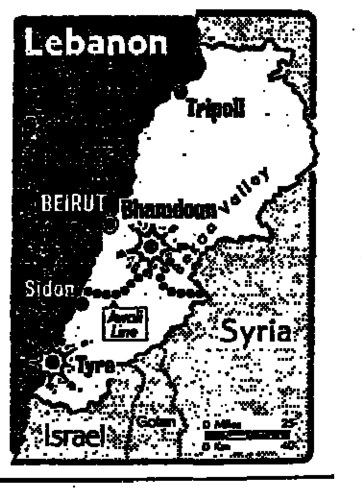
This has allowed President Amin Gemayel of Lebanon time to sound out possible implications of implementing the accord.

Mr Nabih Berri, who leads the militant Moslem opposition Amal faction, said: "There have been no breakthroughs here. But what we have done is to cross a psychological barrier. We have found a direct channel *through which to talk to each other.*"

Much of the success in the cooling of tempers is attributed to Mr Richard Fairbanks, deputy special U.S. envoy for Middle Eastern affairs. He apparently has won the acceptance of Syria, which has been steadfast in supporting the forces opposing Mr Gemayel's Government, to allow further soundings to be made.

Still outstanding, however, is the crucial test of whether the warring parties can agree on a way to form a government accepted by all parties as providing "equal" representation for the diverse Christian and Moslem communities.

Meanwhile, the conference was continuing to meet in an attempt to agree on when and where its next full session would resume.



Evren urges voters to support party of former general

BY OUR ANKARA CORRESPONDENT

PRESIDENT Kenan Evren of Turkey last night issued a discreet appeal to voters to support the Nationalist Democracy Party of ex-General Turgut Sunalp and reject the apparent front runner, Mr Turgut Ozal and his Motherland Party, as the country prepared for its first general elections in six years.

The call came in a televised broadcast during which the President invited Turks to vote for a party likely to continue the work of the ruling National Security Council, the five-man committee of generals which has ruled Turkey since 1980.

Mr Turgut Sunalp, a retired five-star general who set up a "state party" last April, has been campaigning on exactly this platform.

He claims that tough law and order measures are needed to prevent a return of political terrorism in Turkey. He believes economic problems were not at the heart of the violence Turkey experienced before the coup.

In what one cabinet minister says was a "veiled criticism" of Mr Ozal and the Motherland Party, President Evren poured scorn on persons claiming to be responsible for Turkey's economic recovery after 1980 and for bringing down inflation.

However, he refrained from mentioning Mr Ozal by name and from outright condemnation of him.

This may not only have been because of a stipulation in the 1982 constitution requiring the President to stay aloof from party politics.

Every available indicator in what is admittedly a highly abnormal election campaign suggests Mr Ozal may be serving as President Evren's Prime Minister this time next week, after winning an easy majority in the elections.

Though Turkish voters say they fear there may be pressure on rural communities to turn out for the NDP, almost everyone in the towns appears intent on supporting Mr Ozal.

Voters list his experience in government and the prospects of an economic upturn if he is elected as the two chief reasons for supporting him. By contrast, Mr Sunalp is seen as relatively inexperienced.

The third candidate in the elections, Mr Necdet Calp, yesterday held an election rally in Ankara. Mr Calp, who advocates more emphasis on the public sector and social justice, looks likely to come in second.

Italy to liberalise exchange laws

BY JAMES BUXTON IN ROME

THE ITALIAN Government of Sig Bettino Craxi has taken the first step towards liberalising the draconian foreign exchange regulations which have done much to isolate the Italian economy from the rest of Western Europe.

It has approved a parliamentary Bill which will make the law, passed at a time of dire economic crisis in 1976, less severe, and which should pave the way to a more comprehensive revision of the legislation.

Under the existing Law 159, as it is known here, it is a penal offence to export more than L5m (£2,130) without *authorisation. Illegal exports of* up to that amount constitute an administrative offence. Now the minimum for a penal offence is to be raised to L100m (£42,550).

The new Bill also includes a provision allowing the Government to make further revisions in the law.

The law is being changed partly because it is too petty and hence difficult and wasteful to administer and partly because the outflow of capital has ceased to be a major problem.

The balance of payments is expected to register a current account deficit of L2,000bn this year, against one of L7,400bn last year and in the past few months there has been a net inflow of funds which had been exported illicitly, mainly to Switzerland.

This is because Italian businessmen, finding interest rates *very high in their own country,* find it more advantageous to repatriate their hoardings from abroad to invest in their businesses than to borrow locally.

This suggests they now have greater confidence in the Italian economy than they had in the late 1970s when there was a real possibility of the Communists coming to power and terrorism was rampant.

The Government has also approved new draft legislation for an amnesty for offenders against building regulations. The original amnesty, in return for which offenders would pay a substantial fine, was rejected by Parliament last month, knocking a gaping hole in the Government's economic programme.

The new Bill is a refined version of its predecessor, but ministers say it will raise only about L6,000bn *instead of the* L9,000bn hoped for.

The amnesty means granting a pardon to the 3m Italians who since 1942 have built new homes without getting permission.

Burma cuts links with N. Korea

By Chris Sherwell, South-East Asia Correspondent

BURMA YESTERDAY severed *diplomatic relations* with North Korea and gave diplomats 48 hours to leave the country, following confirmation that North Korean agents were responsible for last month's Rangoon bomb blast which killed 17 South Koreans, including four Cabinet Ministers and key economic advisers to President Chun Doo-huan.

The action was promptly welcomed in Seoul. South Korea has always blamed Pyongyang for the explosion at the Martyr's Mausoleum. The South Korean leader narrowly escaped death himself, and immediately cancelled his 18-day six-nation Asian tour.

The Burmese decision, announced over state radio, comes only eight days before President Ronald Reagan of the U.S. begins a short visit to South Korea.

U.S. officials are believed to be worried about rising tension on the Korean peninsula following the Rangoon blast.

The announcement also marks the end of Burma's strenuous efforts to maintain a non-aligned position between the two Koreas, a factor thought to have been behind the North Korean attack.

Pyongyang is believed to have been upset by the visit of President Chun to Rangoon, but now faces the prospect of even greater international isolation.

The Burmese statement indicated that two men captured in Rangoon had confessed to the blast and would be tried in a Burmese court. A third suspect had died trying to escape.

Originally, the government described the men, now identified as a major and two captains, simply as Koreans. Yesterday it said that confessions and equipment which had been found "firmly established" that "saboteurs sent by the Democratic People's Republic of Korea" were responsible.

South Korea's response came from Mr Lee Won-Kyung, the new Foreign Minister, who predecessor, Mr Lee Bum-suk, was one of the ministers killed in the Rangoon explosion.

Ann Charters adds from Seoul: South Korea's Deputy Prime Minister, Mr Shin Byong-said yesterday that Seoul's current account deficit this year should be held below $2bn (£1.2bn), thereby reducing foreign borrowing requirements.

Yugoslavia to seek fresh IMF funding

BY DAVID BUCHAN IN LONDON AND ALEKSANDAR LEBL IN BELGRADE

YUGOSLAVIA will ask the International Monetary Fund *and Western financial* institutions for fresh finance to help the country service its large foreign debt next year, according to officials in Belgrade.

It does not expect, however, a repeat of the $4.5bn (£3bn) loans it got this year and, because not all of this has yet been used up, Yugoslavia does need aid on the same scale again. This was confirmed this week by Mr Dimitrije Dimitrijevic, a director at the Yugoslav national bank, who told Reuters news agency that Yugoslavia next year wanted "something similar to this year, though smaller."

Continuation of Yugoslavia's programme with the IMF, which expires at the end of the year, has been made a precondition by Western commercial banks for further loans. They lent Yugoslavia $600m this year and rescheduled its 1983 debts under an agreement signed in September and put into effect at the end of last month.

The IMF, however, is only now in a position to offer countries supervision without money due to its own cash crisis.

Yugoslavia has sizeable interest payments and $3bn debt maturities to meet next year. But its hard currency finances have improved recently, according to Mr Dimitrijevic, who said the current account would end $200-300m in the red this year compared with the previous deficit estimate of $500m.

Muzorewa appeal rejected

HARARE—Former Prime Minister Abel Muzorewa is imprisoned under Zimbabwean emergency laws which can allow indefinite detention, the government disclosed yesterday.

State attorneys told the High Court that the 58-year-old Bishop, arrested by secret agents on Monday, was being held under section 17 of the Emergency Powers Act which permits detention for 30 days before the case is reviewed by a special tribunal.

Whatever the tribunal's findings the section permits indefinite incarceration if the Government decides it is of "paramount necessity for public order" that the detainee remain in custody.

The Bishop's lawyers asked the High Court yesterday to order his release. The state said an initial detention order was invalid but said it had been suspended by the section 17 order. This ended the appeal.

Reuter

Congressmen in Grenada

BY ANTHONY ROBINSON

TWO RIVAL groups of U.S. Congressmen flew into Grenada yesterday to assess the situation on the ground and future U.S. policy options in the area.

The first, a bi-partisan group of 14, has been described as being "stacked with liberal Democrats" by the second group, consisting of four conservative Republicans sponsored by the conservative American Security Council. They intend to provide their own "alternative perspective."

Meanwhile, a task force of nine U.S. navy ships headed by the aircraft carrier America has arrived in Caribbean waters in a symbolic show of force following the staged withdrawal of 2,300 of the orginal 6,000 U.S. combat troops who participated in the invasion and subsequent mopping-up operations.

While the U.S. congressmen are carrying out their separate investigations, the United Nations has sent its Under-Secretary-General Sr Diego Cordovez to Grenada with instructions to report back to the UN *early next week.*

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates 1.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to:

U.S. jobless total falls to 8.8% in October

By Stewart Fleming in Washington

UNEMPLOYMENT IN the U.S. fell much more sharply than had been generally expected in October, dropping to 8.8 per cent from the September level of 9.3 per cent, according to the Bureau of Labour Statistics.

The news was hailed by the White House yesterday as evi*dence that* the Administration's economic policies "are falling into place with precision." Mr Larry Speakes, the White House spokesman, said the improvement in unemployment is running about 15 months ahead of Administration projections which had been looking for a fall in the unemployment rate to 8.7 per cent by December 1984.

Seasonally adjusted data showed there were 9.9m civilians out of work last month and that the percentage unemployment rate was the lowest for 20 months. At the peak of the recession in 1982 almost 12m workers were without jobs.

Officials said a slight decline in the labour force in October was the *only* exceptional element in the October figures, but this did not distort the overall strength of the decline in jobless.

The new data, coupled with other economic data released this week, continues to reflect the underlying momentum of the economy. The Commerce Department reported on Wednesday that new orders in factories rose a strong 1.5 per cent in September, with non-defence capital goods orders particularly strong.

Retail sales were *also* high in October according to reports from leading retail chains.

Mr Jerry Jasinowski, economist for the National Association of Manufacturers in Washington said yesterday that the economy was stronger than many had expected, adding that the real gross national product could rise at a seven per cent annual rate in both the fourth quarter of this year and into the first quarter of 1984.

Debt insurance fund proposed by Fed official

By Anatole Kaletsky

COMMERCIAL banks should use some of the profits on their loans to developing countries to establish a sovereign debt insurance fund, Mr Henry Wallich, the governor of the U.S. Federal Reserve Board responsible for international policy, suggested yesterday.

There was a great pressure on banks to lower the interest rates they charge to developing countries in financial difficulties, Mr Wallich said.

But instead of returning to the lower spreads charged by banks on sovereign risks in the past, which frequently did not reflect the true uncertainties of this kind of lending, banks could use part of their interest receipts in an insurance scheme.

Mr Wallich outlined his proposal to a conference on debt re-scheduling in London.

Banks could set aside roughly one or two percentage points of their interest on new Third World loans, he suggested.

The resulting pool of funds would then cover participating banks against loan losses of up to about 2 per cent of their total portfolio.

While this might seem a very limited degree of insurance coverage, Mr Wallich pointed out that it would substantially exceed the average loan loss provision of about 1.2 per cent currently made by U.S. banks.

Despite his personal enthusiasm for this proposal, Mr Wallich made clear it was not official Fed policy.

The initiative for the creation of an insurance fund would have to come from commercial bankers or possibly from the International Monetary Fund *he said.*

British Airways prepares to repel boarders

Michael Donne on the looming battle over the independents' plan to acquire BA assets

A BATTLE between the soon-to-be privatised British Airways and independent airlines, headed by British Caledonian, is about to break out.

Sir Adam Thomson, chairman of BCal, set the scene for the struggle earlier this week when he submitted to the Government a far-reaching scheme for the independents to acquire for cash several hundred million pounds of BA's assets—routes and aircraft—to ease the path to privatisation of the state airline while improving the independents' own competitive position.

It was a bold move, designed to ensure that when British Airways joins the private sector, with its capital restructured, which many think means having its debts written off, the independents would not suffer too much from competition from a virtually debt-free airline which would be the biggest individual force in UK civil aviation.

Sir Adam has publicised his proposals within the Government, and Whitehall, hoping to gain some support for what is intended to be the most radical revision of the UK civil aviation structure since the BA/BCal "route swap" of the early 1970s.

Lord King, BA's tough chairman, who has slimmed the airline substantially and restored it to profitability, hit back yesterday.

He dismissed Sir Adam's plan as a smash and grab raid on BA, which he further described as "a boarding party."

His most effective response was to announce half-year net profits of £162m, with the likelihood of a full-year's profit of more than £200m, coupled with the warning that BA intended to fight all the way, not only to protect itself but to carry the war into the enemy's camp.

He said: "We intend to get into any market where we think we can make a profit." He did not specify the markets but he left no one in any doubt that BA is much more of a force to be reckoned with than two years ago, when it was technically bankrupt with losses of £544m.

Lord King, a close friend of Mrs Margaret Thatcher, the Prime Minister, is a doughty political in-fighter and can be expected to savage Sir Adam's plan in the corridors of power without much publicity.

One of his most formidable weapons, also unveiled yesterday, was his new profit-sharing scheme for the 36,500 remaining permanent staff of the airline (cut from more than 56,000 three years ago).

Those who remained with BA are to get their reward, of hand-outs depending on how far the operating surplus—not the net profit—goes above £150m.

The operating surplus is the measure of the airline's basic success. Although it can be whittled down by interest and tax, it represents the fundamental achievement of the staff and that is why it is being used as the basis of the profit-sharing scheme.

It is a generous scheme, unprecedented in the nationalised industries and probably rivalled by only a few schemes in private industry. It is intended to motivate the airline's staff and the next few months will see just how far it succeeds.

The independent airlines have nothing of this size and will be hard put to match BA.

Coupled with Lord King's determination to defend BA's territory and expand it wherever possible, it is clear that a period of fierce competition in UK civil aviation is likely in the near future.

Lord King is clearly not afraid of privatisation. He said BA's board would run the airline in just the same way when privatised as it is now. He believes that, although BA cannot afford to relax, the worst is over and that profit lies ahead.

The independent airlines can expect an even tougher time than in the past. No matter what the Government may do about Sir Adam's plan BA intends to survive and succeed.

Hugh Routledge

Lord King: Hitting back

Pit demands vote on miners' pay offer

BY JOHN LLOYD, INDUSTRIAL EDITOR

MINEWORKERS AT Cotgrave Colliery, in South Nottinghamshire have demanded a ballot on the National Coal Board's 5.2 per cent pay offer and an end to the national overtime ban.

The pit's 300 surface workers it presented a petition, which was rejected by the branch secretary of the National Union of Mineworkers. A circular from the Mr Harry Richardson, the Nottinghamshire area's general secretary last week had forbidden requests for a ballot during the overtime ban.

Mr John Merriman, the miners' spokesman, said yesterday: "I and many other mineworkers don't want this overtime ban as they haven't gone about it democratically."

However, a return to work next week by mineworkers at Monktonhall Colliery in Scotland seems less likely after a vote against a return by the craftsmen's union, Scebta.

The NUM's branch, which organises most of the 1,500-strong workforce at the pit, had earlier voted to reutrn after an offer of talks by the NCB to end the eight-week dispute. The members voted 314-260 to return, while the Scebta members voted 101-67 to stay out.

It is no clear whether work will resume on Monday. Craftsmen are essential for the working of a pit and adherence to their decision would effectively keep the pit closed.

● Mr Arthur Scargill the NUM President, said that suggestions by Mr Ian MacGregor, the NCB chairman, that he would close pits with production costs at or over £60m a tonne would mean the closure of 15 pits in South Wales.

Ministers emphasise optimism on economy

By Peter Riddell, Political Editor

SENIOR MINISTERS yesterday launched a concerted drive to push the Government's recent political problems to one side and to emphasise the latest more optimistic economic indicators.

Mr Peter Rees, Chief Secretary to the Treasury, said there was no doubt economic recovery was well under way. This year the economy had been growing by up to 3 per cent and there was no sign it would slow next year. That meant Britain's growth was faster than that of any other country in Europe.

Mr Patrick Jenkin, Environment Secretary, said in Huddersfield that next year Britain would be more prosperous than ever before. There were even encouraging signs about the unemployment trend.

Senior ministers were also making known that the Star Chamber committee, set up to resolve differences over spending plans between the Treasury and Whitehall departments, had virtually completed its work and that the outcome was successful.

The Treasury is confident total spending will be held to the existing £126.4bn target level for 1984-85. This follows elimination of an excess £2.5bn in recent discussions.

The gap between departmental bids and targets was well under £1bn when the Star Chamber exercise began. Most of this has been eliminated.

The main problem remaining is the defence budget, because Mr Michael Heseltine, Defence Secretary, has not agreed to suggestions to eliminate the gap of £300m to £400m between his proposals and the Treasury target.

The expectation, however, is that a compromise will be agreed at next Thursday's meeting of the Cabinet

Small business loans for review

BY KEVIN BROWN

THE Government yesterday announced a review of its loan guarantee scheme for small businesses under which £400m has been lent to more than 12,000 companies.

The scheme was introduced in 1980 with a budget of £600m and was intended to run to next June. With up to 600 applications reaching the Trade and Industry Department each month the £200m left is unlikely to be sufficient.

The Government regards the number of applications as proving the scheme's success. Banks are guaranteed 80 per cent of loans up to £75,000 to approved companies.

Ministers are sensitive to suggestions that the scheme has done little more than supply bankers with copper-bottom guarantees on money they would have lent anyway.

Mr David Trippier, minister responsible for small businesses, told the Commons he would look closely at a "wide range of issues," including the extent to which the loans were genuinely additional to conventional bank lending.

He said it was clear that bank attitudes had changed because of the scheme.

Opening a debate on small businesses Mr Trippier promised to attack the bureaucracy which he conceded reduced the value of Government aid.

"I recognise that many small firms continue to feel that they face too much red tape, and I will be discussing with ministerial colleagues and their officials how we may make further inroads in this area."

He announced also that 7,750 companies have applied for small firms investment scheme grants. More than £20m has been paid to 3,735 companies, and contributions to advanced technology for engineering and machine tool manufacturers are about £500,000 a week.

Both Labour and Tory MPs pressed the Government to introduce positive discrimination towards small companies in Government procurement.

Mr Michael Grylls, Conservative MP for Surrey North West, chairman of the Small Business Bureau and of the Conservative back-bench industry committee, said such action would correct the present discrimination against small businesses. Every other industrialised country used public procurement to benefit small business.

Mr Bryan Gould, Labour MP for Dagenham, a Labour industry spokesman, urged that the Government consider subsidising interest rates on commercial loans to small businesses.

"One of the advantages would be to encourage banks to look more closely and constructively at the financial means of small business," he said.

Fizzing contest for fireworks market

By Mark Meredith, Scottish Correspondent

ABOUT A third of Mr John Baxter's work goes up in smoke tonight. The business also goes up with a whoosh, a fizz, a bang or just occasionally a fizzle in the D-night for Britain's small pyrotechnics industry.

Mr Baxter, a former ICI manager, is managing director of Brocks Fireworks, a family business and one of four companies competing fiercely for the £20m market of 100m bangers, rockets and sparklers which go off in thousands of Guy Fawkes celebrations.

The Brock family which still owns the company, knows the starting date for its business as an ancestor, John Brock, blew himself up on this day in 1720 at Clerkenwell apparently in a product demonstration which went wrong.

Brocks is a modest collection of Nissen huts and well-bricked packing houses just outside the town of Sanquhar in the rolling hills of Dumfries, Galloway. About 120 workers, most of them seasonally employed women from the town gingerly pack black powder, perchlorate, sulphurs and nitrates into cardboard tubes for the rockets. Powdered metals such as magnesium or even titanium are added for the bursts of colour to make children "oooh" and "aaah."

Mr Dennis Wilson has every boy's dream job nipping out of his protected hut to light the fuses of another set of rockets. He might also be testing a set of flares, simulated machine gun fire or imitation ricocheting bullets for the military market which accounts for two thirds of the Brock business.

Despite the chances that a damp night or Guy Fawkes at the wrong end of the week from pay day can play havoc on sales, the four main competitors still concentrate largely on the domestic market.

Indeed it is a sinister development on the import side which has disturbed the Fireworks Makers Guild of the industry. A German rocket, skilfully engineered and made by machine instead of by hand has alarmed Brocks and the other producers. The Sohni company has this year marketed the rocket made with plastic rather than cardboard components and giving gasp-making performances.

The costs of bangers and rockets do not justify this sort of expenditure but it still has Brocks thinking about the engineering side of an operation which is currently one of purely packaging.

Port chiefs set on reform of dock labour system

BY BRIAN GROOM, LABOUR STAFF

PORT EMPLOYERS are determined to pursue reform of the 36-year-old national dock labour scheme even though leaders of Britain's 13,900 registered dockers have rejected their proposals.

Mr Donald Stringer, chairman of the National Association of Port Employers, said they could not afford to give way. The system was outdated and hindered the search for improved competitiveness in the scheme's ports, which handle three-quarters of seaborne trade.

NAPE will campaign for voluntary reform. This will fall short of asking the Government to repeal the statutory scheme but the employers' increased hostility to it may lead ministers to consider whether it should be retained.

The scheme gives dock unions joint representation with employers on national and local labour boards which control the size of workforces.

NAPE wants to replace the boards with voluntary collective bargaining. It argues that a large bureaucracy is not needed after the sharp decline in the registered workforce from its 1955 peak of 81,000.

The scheme is criticised outside the industry for allegedly giving dockers the right to a job for life. NAPE argues that it does not give dockers the job security they believe.

Although NAPE is keen to keep its initiative distinct from problems at the financially-troubled Port of London Authority, the limits on the scheme's ability to protect jobs may be exposed if the PLA collapses or is forced to seek compulsory redundancies.

This is possible under the scheme though unions can try to use their blocking votes. Mr Stringer said the dominant Transport and General Workers' Union's achievements had been won by bargaining strength, not by statutory means.

The TGWU argues that employers cannot be trusted to run a voluntary system and that they have often sought unnecessary voluntary redundancies.

● The Southampton tugmen's dispute, which has caused ship delays over the past two days, took a new turn yesterday when management refused to pay the 120 tugmen while they continue to impose sanctions. The move was described as a lockout by the tugmen.

● A pay offer of 4.5 per cent on basic rates was made yesterday to 24,000 merchant navy officers and cadets. David Brindle writes.

Union negotiators had claimed 6.5 per cent on earnings, and immediately said the offer was unacceptable and would increase pay by only 4 per cent.

Further talks are planned for next Friday, but there is bitterness over a warning yesterday by shipowners that cadets may get no pay rise in the next round unless training costs are cut.

The pay offer contrasts with the "final" offer of 5 per cent on earnings made on Thursday to 25,000 ratings.

CBI chief makes a plea for Crown Agents

BY DAVID DODWELL

SIR TERENCE BECKETT, director general of the Confederation of British Industry, yesterday sent a letter to Sir Geoffrey Howe and Mr Nigel Lawson supporting the Crown Agents at a time when the Government is considering its abolition.

According to the CBI, Sir Terence argued that the Crown Agents provided a service "that it would be hard for any other organisation to perform with the same effectiveness."

This conclusion challenges claims that have been made by several MPs that the Crown Agents' work could be hived off to the private sector with no one being the worse off.

The future of the Crown Agents, which started life 150 years ago procuring anything from paper clips to port installations for Britain's colonial administrations, was put in jeopardy in July when a lucrative contract to manage a £3.5bn investment fund for the Sultan of Brunei was lost in the run up to Brunei's independence from Britain early next year.

Investment-portfolio management is one of several activities which has evolved since the 1950s. While procurement remains an important part of its work, it now provides training, consultancy services, quality assessment, and arranges for the printing of stamps and currency.

It also administers nearly half of Britain's bilateral aid for the Ministry of Overseas Development, the ministry to which it is answerable.

With the Crown Agents destined to make substantial losses in 1983 — financial services are the only significantly profitable area of operations — Sir Geoffrey is considering whether the 1,200-strong organisation ought to be saved.

It is thought that he has been under pressure from some MPs who feel the Crown Agents ought to be abolished. They say that private-sector organisations can fulfil the Agents role, perhaps more efficiently and effectively.

In his letter, Sir Terence Beckett is thought to have said that much business comes to the UK because of the "comprehensive contacts" that the Crown Agents have evolved with British exporters.

He said that such business often comes to small companies "which lack the resources to support a general exporting effort themselves."

A full submission on the future of the Crown Agents was sent this week from Mr Timothy Riason, Overseas Development Minister, to Sir Geoffrey and Mr Lawson. A decision on the fate of the Agents is expected soon.

Record price paid for a Sickert

By Antony Thorncroft

A PAINTING by Sickert of pierrots entertaining at Brighton in 1915 sold for £64,800 at Christie's yesterday to the Fine Art Society of London. This is an auction record for the artist. The previous best price of £30,000 was beaten three times in the sale; an 1890s view of L'hotel Royal in Dieppe made £45,360 and The Elephant Poster, another Dieppe scene, sold for £41,040.

The sale of modern British pictures totalled £569,089, with a very modest 8 per cent unsold. The Hunt by the Sea, by Munnings, sold for £45,360 and a typical industrial scene by Lowry, which once belonged to Dame Rebecca West, was bought by the dealer Mr Richard Green for £29,160.

A nude portrait by Sir Stanley Spencer of Patricia Preece went to the dealer Braker for £22,680. The model later became Spencer's second wife.

At Phillips yesterday an album of photographs of Queen Victoria's children, taken between 1850-65, was bought by the Christopher Wood Gallery for £11,000. The album was bought cheaply in Stuttgart 15 years ago and might well have been taken to Germany by Princess Alice, Queen Victoria's second daughter.

Car imports set to break 1m barrier

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MORE THAN 1m imported cars will be sold in the UK this year—the first time the 1m barrier has been broken.

This became clear yesterday when the Society of Motor Manufacturers and Traders statistics for October were published. The figures show that 916,866 imported cars were registered in the first ten months this year compared with 795.419 in the same period last year.

So importers are benefiting as the British car market races towards record levels. Total registrations this year are expected to top by a substantial margin the peak 1.71m reached in 1979.

About 120,000 imported cars are registered in the last two months of a typical year. The 1m mark should be exceeded easily as there is no sign the pattern will change dramatically this year.

However, the society says the boom in car demand has also helped UK producers. Their share of the market rose marginally in the first 10 months from 42.13 to 42.65 per cent.

The main benefit has been from an increase in volume which seems likely to push British car output this year above 1m for the first time since 1979.

Car sales held up well in October in spite of some expectations that the record August, boosted by the A registration letter, would have an adverse impact on the remaining months of the year.

Ford's decision to stop most of its special incentive schemes should have affected total car sales.

October registrations of 134,792 were 3.37 per cent ahead of October last year. This took the 10-month total to 1,598,844, up 16.33 per cent from the January-October period of 1982.

The 10 best-selling cars in October were: 1 Ford Escort (9,745 registered), 2 Austin Metro (9,193), 3 Vauxhall Cavalier (8,805), 4 Ford Sierra (8.470), 5 Ford Fiesta (7,635), 6 Austin Maestro (6,325), 7 VW Polo (5,432), 8 Datsun Cherry (5,314), 9 Datsun Sunny (4,588), 10 Vauxhall Astra (4,090).

UK CAR REGISTRATIONS

	October				January-October			
	1983	%	1982	%	1983	%	1982	%
Total UK produced	53,011	39.33	58,503	44.87	681,987	42.65	578,989	42.13
Total imports†	81,781	60.67	71,894	55.13	916,859	57.35	795,419	57.87
Total market	134,792	100.00	130,397	100.00	1,598,844	100.00	1,374,408	100.00
Ford*	31,037	23.03	42,549	32.63	461,703	28.88	413,689	30.10
BL	25,038	18.58	22,749	17.45	295,714	18.50	246,118	17.91
General Motors* (Vauxhall/Opel)	19,917	14.78	16,577	12.71	231,035	14.45	158,505	11.53
Peugeot/Talbot*	5,074	3.76	5,495	4.21	72,149	4.51	68,506	4.98
Datsun	13,977	10.37	8,269	6.34	93,860	5.87	84,720	6.16
VW/Audi	10,549	7.83	7,406	5.68	93,211	5.83	81,593	5.94
Renault	4,232	3.14	4,512	3.46	55,253	3.46	57,981	4.22
Volvo	4,551	3.38	3,732	2.86	54,685	3.42	45,471	3.31
Fiat/Lancia	3,720	2.76	3,150	2.42	45,238	2.83	43,620	3.18

* Includes cars assembled on Continent not in the UK total.
† Imports from all sources including cars from the Continental plants of UK-based companies.

Source: Society of Motor Manufacturers and Traders

Guardian car insurance to cost more

By Eric Short

BRITAIN'S second largest motor-insurer, Guardian Royal Exchange Assurance, which has 1.25m vehicles in its portfolio, will increase its motor insurance premiums at the beginning of next month.

Private car rates are being lifted by an average of 9 per cent, while commercial vehicle rates go up on average by 12½ per cent.

The company is also introducing a 2½ per cent loyalty bonus to all policyholders with a no-claims discount protected policy who renew from December 1984.

It last increased private motor insurance rates 14 months ago, when it raised them by 7 per cent.

So the company has held the rates beyond its normal annual review period, even though it reported underwriting losses in the first six months of this year up to £12m from £7m in the first half of 1982.

Insurance companies have been competing keenly for motor business for more than two years.

Insurers have held rates longer than normal, and increases have been lower than prudent underwriting would dictate.

This has resulted in rising underwriting losses, a position exacerbated because the number of motor claims has risen by about 10 per cent this year.

Pergamon to close Health newspaper

THE HEALTH SERVICES newspaper, taken over by Mr Robert Maxwell's Pergamon Press last year, is to close, *our Industrial Correspondent writes*

The newspaper, formerly The Times Health Supplement, faced closure until Pergamon acquired it from Times Newspapers.

Pergamon said yesterday it had not achieved the circulation and advertising support necessary to justify continued publication, and showed a high level of loss.

Duffy qualifies ballot support

MR TERRY DUFFY, president of the Amalgamated Union of Engineering Workers—held up by the Government as the paragon of trade union democracy because of its postal balloting — yesterday cast doubt on ballots as the cure-all for industrial relation problems.

In Birmingham, Mr Duffy stressed the AUEW's democratic procedures, which provide for the election of its full-time and lay officials, including shop stewards. Pledging that these secret postal balots would continue, he said: "Having said that, we must acknowledge that secret ballots are not the appropriate solution to every problem.

"It is my sincerely held belief that enforced secret ballots will actually be counter-productive." Such ballots, together with those for the election of union leaders, are key elements of the Trade Union Bill, published last week. He said that the proposals for secret pre-strike ballots raised practical problems, such as who was to hold the ballot.

British Telecom in dial link

BRITISH TELECOM announced yesterday that this week it had connected four foreign countries to Britain's direct dialling network. BT used this to indicate the limited effect of the industrial action against international telephone calls by the Post Office Engineering Union.

However, the POEU said much of the work for the connection of Gabon, Nepal, Samoa and Zimbabwe had been done before the union's campaign over the plans to privatise BT.

Another BT union, the Civil and Public Services Association, entered the campaign when about 700 staff, members of the CPSA and Union of Communication Workers, came out on a 24-hour strike at the London south central area telephone exchange in Westminster.

No reference for steels merger

THE proposed merger of Lonrho's Hadfield's engineering steels plant with British Steel Corporation and GKN is not to be referred to the Monopolies Commission, Mr Norman Tebbit, the Trade and Industry Secretary, has decided.

Under the merger GKN and British Steel would each take a 37.5 per cent share on the works. The move forms part of the Government's scheme to rationalise engineering steel production.

Shell strikers step up depot picketing

SHELL REFINERY workers on strike over a 4.5 per cent pay offer stepped up secondary picketing yesterday, exploiting the company's failure to stop it after taking out injunctions under the Employment Act 1980. Pickets from Shellhaven, Essex, were at four local depots.

The company's tanker drivers voted yesterday on a call for a national strike from Tuesday over suspension of drivers in the North-west. The result may not be known until Monday.

Ford lays off 1,400

FORD's Halewood plant on Merseyside laid off 1,400 men yesterday after a dispute in the plant's final assembly area.

Preparing to sell Scotland's bonny business image

Mark Meredith on Glasgow's efforts to impress delegates at next week's CBI conference

THE MANY salesmen among the 850 delegates to next week's CBI conference in Glasgow should themselves be braced for a heavy sell from the Scots.

Getting the conference to Glasgow in the first place was something of a coup for the CBI's Scottish chapter. It has broken the south's hold on the four big annual get-togethers—Labour and Conservatives, the TUC and the CBI—says Dr Michael Kelly, Glasgow's Lord Provost.

Dr Kelly plus the massed bands of Scottish industrial promoters have a list of messages to put to the delegates. They are not going to miss an opportunity with a captive audience of this calibre to make forcefully some essential points about Scottish industry and to correct a nunmber of illusions.

The welcoming grin from the Glaswegian will not be just for the estimated £750,000 which the captains of industry are likely to spend in the city. It is at gut level a cheerful city and is slowly pulling out of decades of industrial decay.

The district council has launched a "Glasgow's miles better" campaign, which is not designed to compare the city with other centres, but is an effort to tell people that things have improved.

Dr Kelly and the local city and Strathclyde regional governments hope the campaign will dispel myths about the Red Clyde, razor gangs and rampant industrial decay.

The Clyde is a fairly respectable red these days, politically, and, despite the anxieties of the shipbuilding industry, Glasgow is hardly a hotbed of industrial ferment. Razor gangs went out of fashion about the turn of the century and the CBI delegate is unlikely to be assaulted by a beer-crazed, kilted football fan. Rangers have been through a bad patch and the stands at Ibrox Park are subdued.

Although much of Glasgow's grimy industrial past is still around, the city looks different, with new outcrops of office blocks and hotels reflecting the growing attentions of the service sector.

A big conference can still do wonders, however, and businessmen have noted that a dicey bit of pavement on Ingram Street has been repaired, after seeming light years, in time for the busloads of delegates arriving from their hotels.

The conference is in a vast Victorian barn, the City Hall, where Dr David Livingstone once told the city merchants of his discoveries in Africa.

"We want to close the 'Watford gap' for those businessmen unaware of the significance of what has happened to industry in Scotland," according to Mr John Davidson, the Scottish director of the CBI. "We want to show them that Scotland is a good place in which to invest, a good place in which to do business, and a nice place to live."

The Scottish Development Agency is not letting a chance like this slip away, either, and has prepared a display of the region's new high tech industries, such as electronics and health care in an aluminium-sided tent at the entrance to the City Hall.

And if the message is still not getting home to the menfolk, their wives are also getting an immersion course. They are to be taken by bus to the newly-opened Burrell Gallery and to Loch Lomond and taken on a tour of a malt distillery.

NUJ tackles the bingo war

BY PHILIP BASSETT

LEADERS OF the National Union of Journalists yesterday launched a strategy dealing with national newspaper managements by trying to hit the parts industrial action has not yet reached — Fleet Street's bingo competitions.

Bingo has helped to lift circulation on some popular newspapers, strengthening job security, but some NUJ members fear the bingo and giveaway competitions war will become so cut-throat that it will inflict a casualty on Fleet Street and NUJ members will lose jobs.

The editorial in the latest issue of the Journalist, the NUJ newspaper, criticises the rash of bingo and other competitions. The editorial's title—Striking for Millions—indicates the response it seeks from its members on the popular newspapers, and tilts particularly at the Millionaire's competitions run first by Express Newspapers, and followed in the rival Daily Mail group.

NUJ chapel (office branches) officers in tabloid newspapers are urged to act with the NUJ's national executive committee and the industrial council of national newspaper and agencies to seek immediate agreements with newspaper proprietors to end the competitions.

All three groups are urged to consider balloting union members on refusing to work on newspaper editions containing these competitions, in the likely event of their failing to reach agreement immediately with the newspaper proprietors.

Another issue which has been gripping NUJ activitists recently is whether the Journalist should carry the John Kent cartoon Varoomshka. The union has decided it will no longer feature it after pressure from members who said the cartoon was sexist.

Through 700 again

LONDON

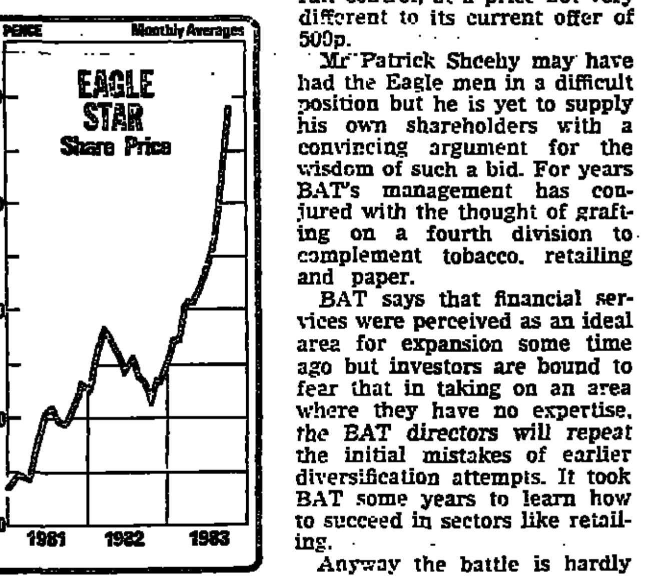
ONLOOKER

It looked as if those stale old bulls had come out to enjoy some late autumn sunshine. Equities strode back through the 700 level and gilts too saw steady gains throughout most of the week. Yet five days trading should not be overplayed. The institutions might have been nibbling at the market again after a prolonged absence, but nibbling is all that it was. The equity market is unlikely to benefit from any real weight of institutional money at present so the trend of rising prices could be fragile.

For gilts the picture might be a little brighter. In November the institutions are likely to receive three times as much cash from dividends and redemptions than they are due to hand over for calls on Government securities. That cash flow, at least in part, could dribble back into gilts to underpin prices.

Among the equity pitches most of the interest was focused on the consumer areas such as stores, drinks and electricals. As the number of shopping days to Christmas ticked away, up went the prices of those stocks thought most likely to do well out of a boom season. The only hiccup for stores was the negative reaction—if unjustified—to Marks and Spencer's figures.

For all that, the week will probably be recalled for its mega takeover bids. BAT waded into the Eagle/Allianz battle on Wednesday and on Thursday



RIT and Northern joined hands with Charterhouse to establish a major new force in the City.

In comes BAT

Eagle Star desperately needed a white knight to sweep it out of the clutches of the West German insurance group Allianz, but the arrival of Mr Patrick Sheehy astride the BAT Industries charger stunned the City first thing on Wednesday.

BAT is bidding 575p a share for Eagle, valuing the group at £796m and sweeping the bid into the record books as the biggest takeover in money terms ever launched in Britain. The offer tops Allianz's 500p shot by 15 per cent and has the blessing of Eagle's directors.

Yet if the Prussian black prince was totally unacceptable to Eagle, BAT hardly cuts much of a dash as a shining white knight. Without BAT, Eagle's defence document could surely have produced an asset value some 30 per cent higher than the bid the directors have just endorsed.

BAT, however, was well placed to squeeze agreement out of Eagle Star. It was beginning to look as if Allianz might achieve effective control, if not full control, at a price not very different to its current offer of 500p.

Mr Patrick Sheehy may have had the Eagle men in a difficult position but he is yet to supply his own shareholders with a convincing argument for the wisdom of such a bid. For years BAT's management has conjured with the thought of grafting on a fourth division to complement tobacco, retailing and paper.

BAT says that financial services were perceived as an ideal area for expansion some time ago but investors are bound to fear that in taking on an area where they have no expertise, the BAT directors will repeat the initial mistakes of earlier diversification attempts. It took BAT some years to learn how to succeed in sectors like retailing.

Anyway the battle is hardly over yet. With almost 30 per cent of Eagle already under its belt Allianz may well feel it worthwhile to pitch again with an offer a little higher than BAT's 575p. Then BAT might well respond with an even higher offer. But what of the Government? The whole lot could yet be shunted the way of the Monopolies Commission, though grounds for doing so are not obvious.

RIT/Charterhouse

From a possible marriage of convenience one day, the City was treated to the sight of a blissfully happy couple the following morning. RIT and Northern, the financial services group headed by Mr Jacob Rothschild, and Charterhouse Group have struck plans for a merger which will create one of the largest investment banking groups in the country. The deal could be the first of many get-togethers now being contemplated in the City.

The new group will have shareholders' funds of around £360m which compares to disclosed net worth of £200m at Kleinworth Benson and £130m for Hill Samuel. Mr Jacob Rothschild now sits upon a group nearly four times the size of RIT when it was split away from N. M. Rothschild and Sons three years ago at the time of the family rift which separated Jacob from his cousin Evelyn.

Behind the move is Mr Rothschild's belief that London's financial community is racing towards a period of radical change. The bolting together of Charterhouse with his own group creates a vehicle powerful enough to compete on an international plane.

From the outside, however, the personalities at RIT and Charterhouse seem as different as chalk and cheese. RIT's team seems packed full of glamorous strategic wizards while Charterhouse has exuded a rather staid image over the years. But to a certain extent that solid, if perhaps unexciting, character has been sharpened up over the last couple of years. Undoubtedly the consortium buy-out for Woolworth was a feather in Charterhouse's cap.

From the inside, the marriage is described as a perfect fit. The market liked the look of it anyway, with Charterhouse's price rising 14 per cent on the day of the news and RIT and Northern climbing 16 per cent. Yet true synergy is a rare flower.

Taking a gamble

The tinselled world of London's casinos with their ability to make vast sums of money out of a few baize-covered tables is again tickling the imagination of some of the stock markets more adventurous punters.

The main event of the week was the prospectus from Aspinall's, the Knightsbridge casino, for an offer for sale of 7.8m shares valuing the company at £60m. Aspinall's will be joining the USM. The document spotlighted the staggering profits that can be made when the foreign gamblers, particularly those from the Middle East, are in town. Aspinall's profits came close to £15m in the year just ended — from just six tables.

The other recent news was Lonrho's purchase of the famous Playboy club premises from Trident which had failed to get a restored licence. Lonrho already operates Crockfords and the International Sporting Club in London. Now, while the licensing authorities may be reluctant to let another casino open its doors, they may prove more amenable to a licence transfer from one of Lonrho's other sites. Lonrho has nothing to lose. If it can't get Playboy's roulette wheels spinning again it still has a valuable Park Lane freehold.

As the City started to think more about casinos, eyes drifted towards those two classic gaming stocks, Pleasurama and Trident. Pleasurama's bid for Trident lapsed on a Monopolies reference and that report should be out in a few weeks. It might be that Pleasurama will be given a green light but only if its disentangles its relationship with Grand Metropolitan which holds 30 per cent of Pleasurama and has casino interests of its own.

Speculation will hot up but "real" investors should stay away. Casino companies are only slightly less of an investment gamble than putting chips down on their tables. Aspinall's advisors may point to a p/e of 10 as attractive but who can guarantee the future when a licence has to be renewed every year?

Half-time Marks

Marks and Spencer's half time figures were greeted with something less than enthusiasm this week. Carried away by some very impressive gains amongst the sector, a few brokers had been looking for interim profits of £115m. In the event Marks produced a £14.6m increase to £105.6m and out came the jobbers' red pens.

Even so there really shouldn't be any disappointment with Marks' efforts. These figures have been struck after employee profit sharing and a £1.8m charge for celebrating 100 years in the High Street. Add those back and profits of £109.9m are within a hair's breadth of the City's more sober estimates.

The underlying trends were sound enough with sales up 14.3 per cent against a national average of 9½ per cent. Volume from its main lines, clothing and food, were up 11 and 15 per cent respectively, way ahead of its major rivals.

Meantime gross margins have been expanded slightly, partly thanks to the absence of stock writedowns this time and partly due to a firmer pricing structure. Even though wage costs are up 14 per cent the improvement at the gross level has washed through to net margins. That will probably hold good for the second half too, and with a buoyant Christmas in prospect Marks should come out around £280m pre-tax this year against £239.3m.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Govt. Sects. Index	82.02	+ 0.32	83.60	77.00	Inflation/interest rate hopes
F.T. Ind. Ord. Index	718.3	+27.2	740.4	598.4	Mildly favourable economic views
F.T. Gold Mines Index	484.8	+ 9.0	734.7	444.6	Fall in bullion price
Akroyd and Smithers	467	+42	468	260	Speculation on outside interest
Bowater	215	+14	245	153	Corner Brook sale discussions
British Car Auction	222	+24	222	150	Results and scrip issue
Charterhouse Group	109	+20	114	78	Agreed merger with RIT & Nrthrn
Cluff Oil	92	+32	105	37	Yellow Sea exploration hopes
Eagle Star	598	+70	610	345	Agreed counter-bid from BAT Inds
Firmin	90xd	+31½	93	45	Bid approach
Flight Refuelling	215	+20	230	167	Pleasing interim results
GEC	204	+17	250	176	Merrill Lynch recommendation
Hampton Gold Areas	180	−26	240	170	Large share placing
Metal Box	266	+24	266	154	Top management restructure
Phoenix Assurance	381	+43	381	288	Speculative bid hopes
Powell Duffryn	228	−17	270	215	IBH financial problems
RIT and Northern	237	+35	237	154	Charterhouse merger
Rank Org.	188	+26	190	104	Bid rumours/talks of Xerox sale
Shell Transport	554	+22	640	403	Middle-East tension
Shiloh	93	−27	136	42	Poor interim results

Back to the start

NEW YORK

TERRY DODSWORTH

THE WALL Street equity market could scarcely have hoped for more than it has got from the third quarter corporate reporting season. On average, profits are reckoned to have risen by about 30 per cent from a year ago, cash flow is rising strongly, volume holding up, and the recovery beginning to broaden its base beyond the consumer sector. Yet the market has edged anxiously lower, settling back to around 50 points below the high point registered on October 10. Since late August it has now gone through a curve which has put it right back to where it started.

In one sense it is all very puzzling. Expectations have admittedly been high, with the market on a price/earnings ratio of around 13, but the overall performance of industry and commerce could scarcely have been more impressive. With inflation falling out of the system, this year's earnings have also improved in quality, and dividends are beginning to move up again.

Yet the market behaviour is not as odd as it seems. What has happened is that the investment community has shifted its gaze in the last couple of weeks, taking its eye off the real economy to concentrate once more on the money supply, interest rates and the debt markets.

Now anyone who looks in the direction of the debt markets at the moment is bound to end up nervous and uncertain. Throughout the week a row has been raging in the Senate over the new ceiling on Government debt, and the conclusion of this endless talking match has been no conclusion at all. Indeed, the Treasury has had to postpone its $16bn funding programme.

As the markets watch to see how much debt will be issued and when—activity has slowed to a snail's pace. The long bond price has slipped from virtually 106 four weeks ago to only a little over 101, where its yield is once again edging close to 12 per cent—a formidable obstacle to a further rise for equities.

The other depressing influence on stocks has been the catastrophic fall from grace of some of the high technology companies. Investors have been so traumatised by some of the disaster stories of the last three months that they have probably over-reacted, putting everything in sight to the sword. Two incidents over the last week demonstrate the change in psychology from a market prepared to take a risk on a new high tech idea, and one that is more interested in safety.

The first concerns Texas Instruments, which has been gamely trying to sort out its problems in the home computer division since it ran into trouble at the beginning of this year. Analysts had recently been cutting their TI forecasts quite sharply—Smith Barney, for example, had revised its 1983 per share estimate from $1.50 to $1.10—when, at the weekend, the company finally decided to throw in the towel and abandon the project. TI's shares immediately jumped by over 20 per cent from $101¾ to $124½.

A couple of days later, IBM decided to cut through weeks of heightening speculation and invited the world's Press along to a preview of its new Peanut home computer. This is a product which has been widely forecast to toll the death knell of a whole host of smaller contenders, and virtually everyone who saw it came away impressed and convinced that IBM was on to a winner. Yet what did IBM's stock do? It fell, moving down steadily from $128 at the beginning of the week.

This reaction may be partly due to the fact that IBM has not yet introduced the Peanut and will miss the Christmas season.

There will therefore be no short term earnings gain. But the company's strategy seems to be based on making its competitors' Christmas as miserable as possible, and it looks as though it may well succeed. So the drift in IBM's stock looks timorous and niggardly to say the least.

This week has also marked the arrival of ICI on the big board.

MONDAY	1225.20	+ 1.72
TUESDAY	1229.27	+ 4.07
WEDNESDAY	1237 30	+ 8.03
THURSDAY	1227.13	−10.17

In a hole at the Nineteenth

MINING

KENNETH MARSTON

"I JUST don't know how the business is going to survive with things as they are," said the Gin and Tonic at the Nineteenth Hole.

"Sales are down, I can't find any new lines and, what is more, there doesn't seem to be much light around the corner at the end of the tunnel," he added.

Glancing around in the hope of finding more congenial company at the bar, the Whisky and Dry Ginger observed, with a touch of impatience: "Seems to me that the best thing you can do if you're losing money is to get out of the business and try something else."

"Don't be ridiculous," snapped the Gin and Tonic, "I can't do that. It's my living."

This seems to sum up the situation in large sectors of the mining industry at the moment. Everybody is waiting for the economic recovery which is growing apace in the field of consumer goods, notably in the U.S., to get through to the heavy industry which is vital to the producers of metal.

In the meantime, the outlook for the mining industry is "not very encouraging," according to Mr Rudolph Agnew, chairman of London's **Consolidated Gold Fields** at the annual meeting on Wednesday. At the same time he firmly maintained his faith in the longer term—what mining man doesn't?

In this case, however, the optimism was tinged with a degree of realism. "While the longer term economic outlook should be better," he added, "we must all be aware that world economies are likely to grow at slower rates than were achieved on average over the past 30 years.

"Accordingly, we are unlikely to see high levels for commodity prices fuelled by growth and inflation." Perhaps this is no bad thing. Runaway commodity prices only mean trouble eventually as we know only too well in the wake of the oil crisis.

Reansonably profitable and stable metal prices are what is wanted and given a sustained gradual economic recovery this now seems what is likely to happen. At the same time most of the major mining companies have gone through a rather painful slimming process and they have emerged much more efficient as a result.

They do not need prices as high, in real terms, as they did in the 1970s. These days the accent will be on increasing metal production in line with improving demand and this will tend to hold prices in check, but increased sales should still mean increased income.

There will still be problem areas, of course, and one is copper. Sir Alistair Frame, deputy chairman and chief executive of **Rio Tinto-Zinc**, has pointed out this week that there is still over-production of this metal and with over 40 per cent of capacity government-controlled this situation looks like continuing. Among other factors, governments' needs for export revenue often override economic considerations.

Copper also has the problem of losing ground to other materials such as aluminium and fibre optics while technological advances have reduced its consumption in some existing applications. Mr Christopher Stobart, of Commodities Research Unit fears that copper might even miss out on the economic recovery entirely.

This does not mean that the metal has gone out of fashion or that you should sell all your copper shares. It is just that the copper industry must adapt to the changing conditions and the more efficient and low cost producers will still earn a living. Others will find the going hard.

Overall growth in demand for metals is still the key—if only the developing countries had the money to buy copper for their undoubtedly huge needs—and so we come back to signs of revival in the heavy capital goods sectors.

At the Gold Fields meeting I talked to Mr Plato Malozemoff, chairman of America's **Newmont Mining**. Did he see signs of a stirring in the U.S. capital goods sector? Without hesitation he answered that this was happening and that the picture would become clearer in early-1984.

Gold Fields has a high regard for Newmont which is still on the rising profits trail with earnings for the first nine months of this year at $51.4m (£34.5m), or $1.69 per share, against $31.2m in the same period of last year. "The strongest and most successful of the major U.S. mining corporations," said Mr Agnew.

Under an agreement with Newmont, Gold Fields has built up a shareholding in the U.S. company since early-1981 of 25.1 per cent at a cost of some 250m. Under a new 10-year agreement Gold Fields is permitted to raise this stake further to 33⅓ per cent, but intends to do so only gradually.

Gold Fields looks for a steady improvement in its fortunes this year and retains its faith in gold which is the group's single most important product. The group has a new mine in prospect in the shape of the large but low grade Mesquite deposit in California which averages only 2.3 grammes of gold per ton of ore. It is due to come into production before the end of 1986.

London's **Hampton Gold Mining Areas** has an even bigger and lower grade gold prospect in mind. This week the company has said that it is to pay $10m to buy into two joint ventures in Colorado, one with **Centennial Gold Corporation**, a private U.S. company and the other with the listed **Marathon Gold Corporation** of Utah.

In a large area of some 300,000 acres near Craig, Colorado, the U.S. companies are now fairly confident that they each have mineable deposits containing at least 1.2m ounces of gold. If further work proves this to be the case the companies aim to become major producers of gold in the next two to three years.

The gold content of the material is very low, ranging from 0.6 grammes per ton of material to 1.87 grammes. The advantages are that the deposit can be worked by cheap open-pit methods on a big scale and that the gold, being in the form of tiny particles in sandy material, should be easily recoverable.

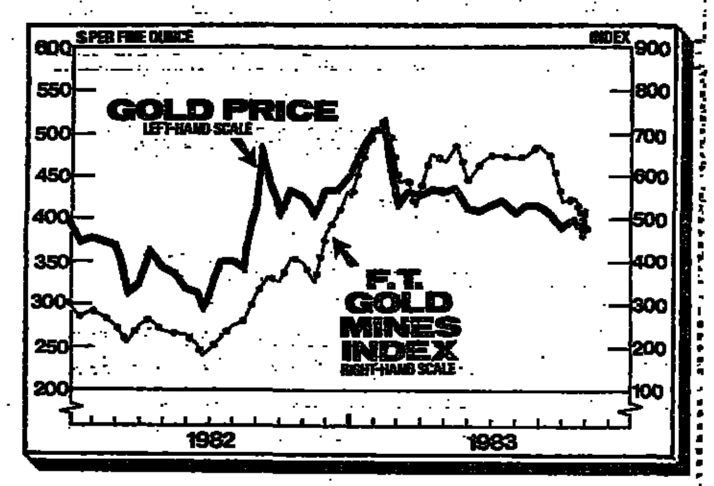
It is thought that a mining operation would be payable at gold prices of around $200 per oz, but much depends on the average grade worked: this could be very critical at low gold prices with a slight alteration in the grade, either way, making a sharp difference to payability or otherwise.

In mining $10m does not buy a great deal and Hampton Areas has only paid to join the game. Presumably the company will have to put up more money for its share of the venture if it is decided to take the prospect to the production stage. It is a bold and imaginative venture but not, one feels, without a degree of risk.

South Africa's **St Helena** is sufficiently confident of the longer term outlook to announce this week that the Orange Free State mine is extending its workings into the adjoining Ongegund area.

This will mean the sinking of a shaft to a depth of 1,450 metres at a cost in today's terms of R89.2m (£51m). However, this cost is expected to escalate to about R125m by the time the shaft is completed.

This should be within four years and when the new shaft comes into operation it will enable the mine to maintain its present level of production for at least eight years. St Helena's remaining life based on the existing operations is reckoned to be in the region of 15-20 years.



House purchase deposit

BY OUR LEGAL STAFF

Does the interest accumulated on a house purchase deposit accrue to the vendor or the purchaser?

Normally the deposit is paid to a stakeholder, in which case the interest on the deposit accrues to the stakeholder, and neither vendor nor purchaser can take it. Where the deposit is paid to an agent as such (usually agent for the vendor), the interest accrues to the principal.

Charges on house and a divorce

My ex-husband and I are already divorced, but have not yet got our financial matters sorted out. I have stayed in our home, which is in his name and I have had a notice registered at the Land Registry. The agreement was that we would sell the house, a large debt to the Bank would be paid off and with the balance I would just be able to buy myself somewhere else to live. Now I find that my husband had charged at least two of his debts on the house, one being his legal costs. The amount of these two debts, and there may be more for all I know, will mean there will not after all be enough left for me to buy myself somewhere to live if they are paid from the proceeds of sale.

Please could you let me know:

1.—Does the notice I have registered at the Land Registry protect my financial interests in the house or just my ability to live in it?

2.—Should I make an application to the Court now, and if so will they assess my financial interest in the house first, or pay the debts first and give me the balance however little that may now be?

3.—Can the Registrar order my ex-husband to be liable for some of the debts he has charged on the house and order some to be paid from the proceeds?

1.—The notice protects only your right to live in the house. If, however, the agreement you mention has been made or evidenced in writing it may itself be a charge on the house, and a notice or caution which refers to that agreement could operate to give you some financial protection as well.

2.—You should consult your solicitors at once to ascertain whether you might have the financial protection indicated above, and, in any event, to ensure that some protection is obtained against your former husband's making further charges on the property, eg by making an application to the court and registering a caution in respect of that.

3.—The court can make an order which would require your former husband to discharge debts personally rather than out of the proceeds of sale, but this will be of little value unless he has the means to do so.

Calculating CGT liability

Could I have your advice on the calculation of CGT liability in the following circumstances?

(1) March 1968—House purchased as sole residence for wife and self on joint tenancy. Gross cost approximately £7,500.

(2) April 1976—ex-wife remained in occupation after divorce. Ceased to be my sole residence.

(3) September 1981—ex-wife died—became sole owner by survivorship. Value of half share £23,500.

(4) September 1982—House sold at reduced figure to effect quick sale after delay due to legal action to obtain possession from trespasser. Net proceeds of sale approximately £42,000.

We could have given you a simpler and more helpful answer if you had given us more precise facts and figures (and dates). On the bare facts, the chargeable gain appears to fall within the £5,000 exemption for 1982-83, as follows:

	£	£
Net proceeds (?9.82)		
Cost of ½ share (?3.68)	3,750	
Value of ½ share (?9.81)	23,500	
Cost of removing squatter .	?150	
Indexation: 3pc of £3,750	113	
		27,513
		14,487
Exempt fraction:	(a)?3,700	
	(b)?5,300	10,114
Chargeable gain		£4,373

A is the number of days from the purchase contract (in March 1968) to your departure (in April 1976), plus 730 days (the two years up to the sale contract in September 1982).

B is the number of days from the purchase contract to the sale contract. (The completion dates are of little consequence.)

If your tax inspector demurs, you may like to come back to us with full details, because the rules are complex and arbitrary. The free Inland Revenue leaflet CGT4 (Capital gains tax; owner-occupied houses) may be helpful, but it tends to oversimplify the intricate rules.

Discretionary grants

My neighbour, an elderly widow, has for a number of years been in receipt of a grant from a private charitable Trust. The Trustees have been at pains to make it quite clear that the payment is entirely at their discretion and that my neighbour has no right to any payment from the Trust. Recently, her income has brought her just within the tax bracket but the Trustees of the charity are happy to continue the grant to her. Ought she to include this payment in her Tax Return and if so will she be taxed on it?

The answer is probably no; but she can put her mind at rest, by checking with the Trustees that Section 17 of the Finance Act 1973 does not catch the discretionary payments:

"Where, in any year of assessment, trustees make a payment to any person in the exercise of a discretion . . . , then, if the sum paid is . . . income of the person to whom it is paid . . . , the payment shall be treated as a net amount corresponding to a gross amount from which tax has been deducted at a rate equal to the sum of the basic rate and the additional rate in force for the year in which the payment is made; and the sum treated as so deducted shall be treated . . . as income tax paid by the person to whom the payment is made . . ."

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Holding sold for cash

I understand that the former method of establishing losses/gains by means of a sale one day and repurchase on the following day is no longer valid. In order to create a loss in March this year I sold my holding for special cash settlement and subsequently repurchased it during the same account—avoiding commission on the repurchase but paying full stamp duty. At the time I understood that this procedure was "within the rules" but subsequently my accountant has told me that all I have done is to create a dealing loss for that particular account period. I feel sure he is wrong but I cannot lay my hands on any evidence to support the strategy I used, though I do believe that a fair number of deals were done like this before the end of the tax year. Please do you feel proper loss was established or not?

You should draw your accountant's attention to the prohibition in section 88(4) (a) of the Finance Act 1982. "Securities disposed of for . . . delivery on a particular date . . . shall not be identified with securities acquired for . . . delivery on a later date. . . ." It is a pity that you did not give us the precise dates—since everything hangs upon them—but it looks as though your accountant has slipped up, from the bare facts outlined.

If your accountant thinks we are at cross purposes, it will be simplest if he writes to us direct (with the full facts). The rules of CGT are complex and quite arbitrary, so a slight variation in the facts can produce a substantial variation in the tax bill.

Tax breaks on foreign investment

How friendly societies are up-dating their style of investment.

FRIENDLY SOCIETIES have been doing their best recently to woo savers by sprucing up their Victorian image and adding a touch of spice to their products.

The Lancashire & Yorkshire society is offering investors this week both a slice of the action in overseas equity markets and the tax breaks and security of *a traditional friendly society* contract.

Its Super Plan policy allows participants to invest half of their premiums in any one of *five Gartmore unit trusts, covering* the UK, Japan, the U.S., a global strategy fund and a special situations trust.

The laws governing Friendly *Societies stipulate that at least* half of your money must go into low-risk investments like the government securities, bank deposits and local authority *bonds included in Lancashire &* Yorkshire's Capital Secure Fund.

For the riskier half of the portfolio, the Fleet Friendly Society offers a tie-in with Prolific and Framlington unit trusts, while Kinsman has its own managed fund or access to Henderson unit trusts.

But Lancashire & Yorkshire says that Super Plan is the first contract of its kind to give friendly society investors a choice of major foreign capital markets.

This kind of contract allows you to invest in unit trusts without paying tax. Friendly Society investors pay no capital *gains tax or income tax when* they cash in their savings or before. And because Super Plan is also a life policy—with cover of up to £2,000—investors *qualify for 17.65 per cent life* assurance premium relief.

Those who are married or have a dependent child are eligible to invest with friendly societies. That covers about about 25m people, of whom only an estimated 250,000 have taken up the opportunity.

Like all such contracts, Super *Plan is limited to a maximum* investment of £240 annually for ten years or a lump sum of £1,800 which will buy the same number of units as the regular contribution.

At the start of the ten-year plan, you may choose whether to invest wholly in the Capital Secure Fund or put half your money in a unit trust. That decision governs the destination of your contributions for the next three years.

After that, the plan allows you to change your strategy once a year for new investment, but you are stuck with your previously chosen investments until the policy is cashed in.

That means that if you invest in Japan, say, and the Japanese economy falters, you can't get out without suffering a penalty. So the more general global strategy trust should be safer.

You can cash in your stake after two years, but investors are forbidden by law from collecting more than the gross value of their premiums before the contract is completed.

One attraction is that Lancashire and Yorkshire has negotiated discounts on unit prices. It is offering a spread between *buying and selling prices of 2* per cent, against the more usual 5 per cent.

The Gartmore part of your investments will attract the same annual management fee, around ¾ per cent, as for any other Gartmore investor, while Lancashire and Yorkshire charges ¼ per cent annually for its narrow range unit trust.

William Dawkins

INVESTING IN RETIREMENT

Unlocking home capital

CHRISTINE STOPP continues her series with a case study of a wealthy widow who saves tax by mortgaging her house and paying her grandchildren's school fees.

THE FINAL case study in our series deals with Mrs Isobel White, a client of Bristol investment managers WestAvon Securities, and her children and grandchildren.

The four previous case studies have focused exclusively on *investment questions, without* bringing in capital transfer tax considerations. This is often not realistic: anyone nowadays who has an estate worth more than £60,000, say a modest £40,000 house and savings of £20,000 plus, will be liable to CTT on his death, unless he makes use of the various exemptions and allowances.

Many people simply do not consider the advantages of beginning to transfer money early to make use of the annual and 10-yearly exemptions on smaller gifts. Mrs White, who at 74 had around £400,000 capital assets, was one of them. Her case shows how a home income plan can be used for CTT planning although it is normally regarded as a way of surrendering property to provide an emergency source of income.

WestAvon was approached by Mrs White's son, Piers, who wanted to improve the return on his investments in order to pay his children's school fees in a more tax efficient manner.

In *discussing the family's* situation, it emerged that Mrs White senior had income of £12,000 gross from the occupational pension scheme of her husband, a surgeon, who died recently. Her house was worth £80,000, and she had stocks and shares and cash assets totalling more than £300,000. Apart from Piers, she also has a daughter, Sophia di Palma, who is married to an Italian and lives in Rome. Piers and Sophia each have two children of their own.

In consultation with the whole family, WestAvon suggested that Isobel White should take some steps to reduce her *estate for CTT purposes, simultaneously* providing for the future education of her grandchildren. Though Piers can easily afford his son's £4,500 a *year fees, they are being paid* out of an income which has already been subject to a 60 per cent tax charge.

The Whites and di Palmas agreed to enter into a deed of family arrangement, an *instrument whereby* the beneficiaries under a will can agree to vary the will's terms. By this method, £55,000 was removed from Mrs White's estate and, by taking *up the CTT exemptions* available to the late Mr White, was transferred free of tax. The arrangements were made before March 15 1983, when the *exemption limit from CTT* was £55,000. The £55,000 was divided into two equal sums of £27,500 and put into two separate trusts for Piers' and *Sophia's children.*

In addition, Isobel made further gifts of £50,000 each to the two settlements. She paid CTT at lifetime rates, and if she lives for another three years there will be no additional tax to pay. The CTT saving will be considerable if she lives another 10 years. The total effect of the deed of arrangement and the gifts is to reduce her estate by £155,000.

Though Isobel White's income is more than adequate for her needs, and takes her into the 60 per cent tax bracket, it is decided to replace some of the income lost by the reduction in her assets through the use of a home income plan.

There are only a handful of such plans on the market, and they are only available to people over 70 who wish to turn the value of their property into income. They take out a mortgage on their house and the resulting loan is used to buy an annuity, which will then give an income for life. As with all annuities, the return is divided into a capital element, which is taxable.

A further complication with a *home income plan is that* interest must be paid on the mortgage loan. The impact of this is offset by mortgage interest tax relief, allowable at the mortgagor's highest marginal rate. Isobel took out a plan for £30,000, which is the maximum loan available, and this resulted in an increase in net spendable income of £2,179.80, as the table shows.

A further advantage was the fact that the £30,000 loan would be deducted from her estate as a liability on her death, saving CTT at the highest marginal rate. *If CTT were saved at a* rate of 60 per cent, the effective net cost to Isobel's estate of repaying the loan would be only £12,000.

The usual objections to home income plans are that they mean signing away your home, or at least part of its value, and they reduce the amount available for your heirs. The income they give is, in any case, low, due to the deductions for mortgage interest payments and tax. The annuity rates offered on a home income plan may be lower than those offered on a normal annuity, though the mortgage interest rate may be lower as well. The maximum percentage of the value of the house offered as a loan is low: Isobel's plan was with the joint scheme run by Royal Life and the Abbey National Building Society, where the maximum is 65 per cent. Investors at lower income levels should also remember that the extra income will affect their age allowance, and may wipe out any benefits such as rate rebates which they receive.

In Isobel's case, most of these problems did not apply, *and though some of the advantages* of her plan would only be felt on her death, she was happy to have rationalised her estate for the eventual benefit of her *family. In the meantime,* Julian White's school fees are being paid from the trust fund, freeing his father's capital for investment. The di Palmas children's fund is based in the Channel Islands, since the beneficiaries are non-resident in the UK for tax purposes.

NEXT WEEK: Choosing an adviser

ISOBEL WHITE HOME INCOME PLAN

£30,000 mortgage loan buys gross annuity of		3,771
capital element=£2,769		
interest element=£1,002		
tax payable on interest income=60% x £1,002=		601.20
		3,169.80
annuity income net of tax		
interest payable on mortgage loan=	£2,475	
less tax relief at 60%=	(£1,485)	990.00
net spendable income from plan		2,179.80

U.K. CONVERTIBLE STOCK 5/11/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⊕	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv 2002	9.60	308.00	333.3	80-91	3.9	0.5	−0.6	−1 to 8	44.4	59.0	−4.7	+5.4
Hanson Trust 9¼pc Cv 01-06	81.54	216.00	107.1	85-01	4.5	2.0	−6.7	−7 to −2	148.5	72.3	−32.9	+26.2
Slough Estates 10pc Cv 87-90	5.03	250.00	234.4	78-84	4.1		−7.2	−12 to −1	6.6	4.9	−0.8	+5.6
Slough Estates 8pc Cv 91-94	24.72	112.50	97.5	80-88	7.3	6.4	0.3	−38 to 14	21.4	26.5	[illegible]	+6.0

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, *is summed from* present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◊ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ⊕ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

هكذا صدر الأصل

UNIT TRUSTS

Latest Paris fashions

A look at a new unit trust investing for the first time in French companies but only the small and growing ones.

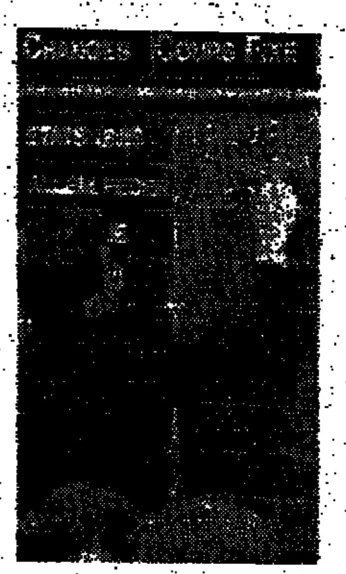
THE INTEREST of UK investors in opportunities across the Channel has generally ended on the southern shores of the tax haven of Jersey. Not since Henry VIII visited the Field of Cloth of Gold have the British been willing to put large chunks of their wealth into France.

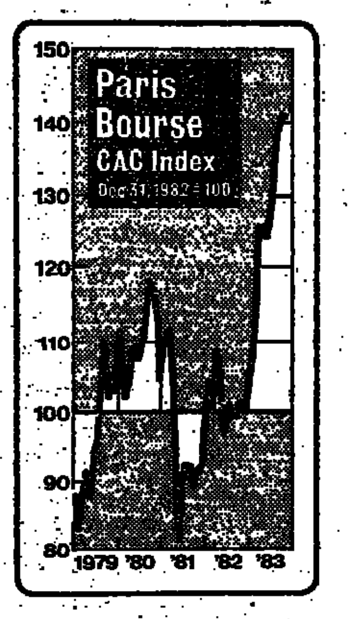
In recent years, unit trusts may have sprung up to invest specifically in Singapore and Malaysia, or Japanese special situations. But only the general European unit trusts have had any significant exposure to the French stock market which has bounced back strongly since its collapse after Francois Mitterrand's election as president in 1981.

On Thursday, however, Société Générale, one of France's largest banks and portfolio management groups, launched its French Second Marché and Growth Fund, through its London merchant banking subsidiary.

The fund is a specialist one with a vengeance. About 25 to 30 per cent of the portfolio is likely to be invested in, initially, five or six small companies quoted on the fledgling Second Marché (see article below). Another 50 per cent will be invested in smaller and medium-sized growth companies quoted on the main sections of the Bourse.

The fund will also retain a high margin of liquidity. But the managers claim they should have few problems in disposing of their investments if necessary, possibly through London rather than in Paris.





The bank has a 15 to 20 strong equity research department, of whom more than half specialise in French companies. But with individuals owning 60 per cent of quoted equities, portfolio management in France is much less developed than in London. There are few hedging instruments available and few, if any, specialist funds. Certainly none has ever focused exclusively on small companies.

So the managers have as little experience in managing such a fund as their clients will have in investing in it. Their inexperience is reflected in the lack of precise information provided at the launch.

The fund is registered in France and is not an authorised unit trust, although the managers are legally obliged to redeem units at a price reflecting the value of the underlying assets.

The fund is denominated in francs and the minimum initial investment is FFr 5,000 (£416). The entry charge is only 4 per cent and there is no stamp duty to pay. But the annual management charges of 2 per cent are about double the average charge for an overseas unit trust based in the UK.

Clive Wolman, London

WITH HARDLY a week passing without a new entry to the "second market," the small companies' section of the Bourse now has more than 30 members in Paris, with a number of additional companies introduced to regional stock markets.

Closely supported by the Finance Ministry, the second market was opened to provide a relatively undemanding route for companies seeking to float shares with the public. Previous regulations aimed at encouraging companies to quote their shares on a "waiting room" section of the Paris Bourse ahead of seeking a full Bourse quotation, proved unduly bureaucratic.

In addition, the Bourse authorities now allow companies to come to the "second market" with only 10 per cent of their shares floated with the public. This replaces the previous minimum of 25 per cent.

The French scheme is closely modelled on the Unlisted Securities Market in London. The flow of new companies to the French sector however will hardly match the rhythm of USM issuing. But the French stockbrokers' association is now confident it can keep up the new entry rate throughout 1984.

A prime stimulus for the success of the scheme so far has been the overall buoyancy of the Paris stock market, up around 40 per cent this year. Foreign-oriented French stocks have been especially popular.

Additionally, many small company proprietors, feeling the pinch because of the sluggish economy and this year's tightening of bank credit restrictions, have been forced to turn to the Bourse as a new method of financing their operations.

With only 2 per cent of French companies quoted on stock markets, *patrons* have traditionally preferred financial secretiveness rather than the relative openness of a stock market quotation. This may now be changing. But with the total number of potential candidates for the second market—mainly companies in the FFr 50m to FFr 100m capitalisation range—put at more than 500, there is plainly a long way to go.

David Marsh, Paris

A low-return Trans-Atlantic haven

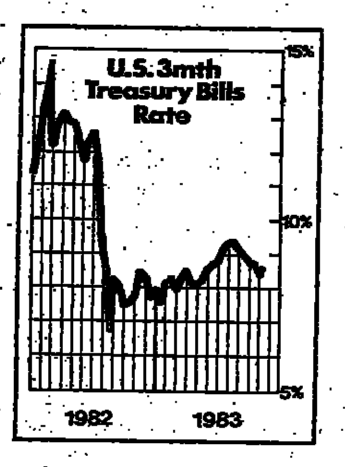
MARY ANN SIEGHART on an offshore fund buying U.S. Treasury Bills.

THE Capital Preservation Fund's "toll-free" telephone number in the U.S. leaves investors in no doubt as to its priorities. They are invited to ring 800-4-SAFETY to find out about a money market fund which some U.S. financial analysts have voted the safest in America.

The fund invests exclusively in U.S. Treasury securities backed by the "full faith and credit" pledge of the U.S. Government, and now its parent company, the Capital Preservation Group, has set up a sister operation in Luxembourg called Capital Preservation Fund International (CPFI).

This is designed to appeal to European investors looking for dollar exposure. It claims to be the first international mutual fund which invests only in U.S. Treasury bills. Investment in CPFI attracts neither U.S. nor Luxembourg tax.

The Fund will invest in U.S. Treasury Bills with a life of no more than six months. The prospectus sums up its aims: "maximum safety and liquidity are its primary goals; a secondary goal is to obtain as high an after-tax rate of return for investors as is consistent with safety and liquidity."



The disadvantage, of course, of this obsession with safety is the low return on your investment. The current yield on U.S. Treasury Bills is around 8½ per cent. From that will be subtracted management and other fees, totalling "not more than" 1 per cent. So the gross return would be just 7½ per cent.

The hope is, though, that income will be turned into capital gains with the possibility of attracting a lower tax rate. Participation in the fund is through shares, whose value rises as income from the bills is reinvested. When the investor wants to pull out, he reaps a capital gain from the increased asset value of the shares.

Unfortunately, the Chancellor of the Exchequer, Nigel Lawson, has already announced that he plans to take action over these so-called "roll-up" funds as far as UK investors are concerned. Legislation, to be effective from January, is intended to allow the Inland Revenue to tax such capital gains as if they were income. But CPFI may be able to escape the clamp-down, if the legislation is not drafted too widely.

But if you want a dollar-based investment and are prepared to sacrifice just a bit of security and liquidity, you could be earning returns of nearer 13½ per cent gross with a fund like the Lazard International Income Fund, which invests primarily in Eurodollar bonds.

PROVINCIAL FUND MANAGERS

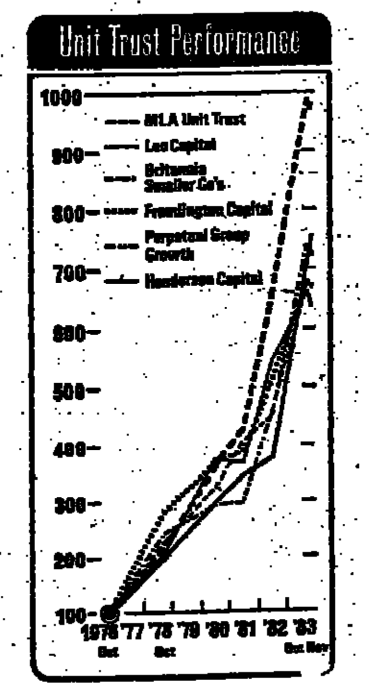
Henley's enigmatic money-maker

CLIVE WOLMAN visits a second off-beat investment manager.

MARTYN ARBIB may have made more money for his unit trust clients than almost any other UK fund manager since he set up shop in Henley-on-Thames nine years ago.

But how he consistently manages to spot the market trend ahead of his rivals remains a mystery to those who watch him in the City.

Since 1974, his international Perpetual Growth Fund has been among the top five performers of all UK unit trusts (see graph). His second fund, Perpetual Income, has been one of the best performing high income yielding unit trusts since it was established in 1979.



The top 6 UK unit trusts

Martyn Arbib

But the professional unit trust brokers have felt uneasy about sending large amounts of their clients' money out to Arbib's 17th century converted offices in Henley. "There seems to be no rhyme or reason as to why he does things," said one. "He likes to play the market. And somehow he seems to get it right when everyone else is getting it wrong. But if his run came to an end, I'd have no way of explaining to my clients why I'd invested with him."

According to a former stockbroker, who is now a Perpetual unitholder and supplies Arbib with forecasts, "he can smell the mood of the market like nobody else I've ever met. It's uncanny."

Forty-four-year-old Arbib prefers to distance himself both from the market and from his rival fund managers in the City. Eleven days ago, at the Unit Trust Association annual dinner, he stood at the back of the hall, his lower lip curled, talking as usual from the right-hand corner of his mouth.

"I have nothing in common with these people,' he said. "I only come here to keep up appearances. In Henley, at least, I'm away from the herd and I don't need to go to brokers' lunches every day."

His attitude towards the learned profession of portfolio management also differs from that of his competitors. "I find backing shares is like backing horses," he said. "And I used to make a lot of money out of that, I mean a lot of money." To emphasise a point, his bushy eyebrows bob up and down above his large blue eyes.

"Sometimes I think I would love to be an economist and plan out all this that I'm doing," he said. "But if I knew so much about the world economy, I would probably be too scared to put any money in the market."

He devoted a lot of time to studying the form of racehorses while working as an accountant with Spicer and Pegler for six years, before he went to Henley in 1972 to set up a bank. He ended up setting up Perpetual Unit Trusts instead.

His emphasis has always been on getting the big decisions right. He launched his first unit trust in September 1974 during the most savage bear market for 40 years when investors were deserting unit trusts in droves. The first influx of money, mainly from acquaintances who had noted his share-spotting talents, he fully invested in the market—and then quickly withdrew most of it as share prices continued to fall.

It was on January 6 1975, when the FT 30-share index touched its post-war low of 146, that Arbib says he bought up shares in large chunks. Within two weeks, as the market shot up, he was fully invested again at a time when most unit trust managers were still dithering and many of his large competitors were chasing shares in vain.

"I started buying because everyone was so pessimistic I thought they had to be wrong," he said.

In 1980, more than 20 per cent of his portfolio was in oil shares which had been rising steadily in response to the Iranian crisis. "But I sold the lot right at the peak," he said.

Again, last year, he started buying up shares on Wall Street in July just a few weeks before the market turned around.

"I just saw one newspaper article which showed why shares were too cheap," he said. "That made sense to me, out of all the other material we receive every day from stockbrokers and elsewhere. I read a tremendous amount but I find only one or two things really catch my eye."

He keeps a large number of shares of low volatility in his Growth Fund portfolio, primarily in UK and U.S. companies. This forms the core of his portfolio. It provides security but in recent years has depressed his performance from outstanding to just consistently above average. But 30 per cent of his fund, the performance part, is in only 10 shares, including ICI, BAT, Woolworths, the Dutch company Philips and the German Siemens.

He gets his ideas, often from unusual sources, and then reads as much as he can about the company. He bought Glaxo after a tip from a professor of medicine who had dealth with one of its products. But despite his affectation of ignorance about economics, he applies all the standard price-earnings ratios and net asset valuations to the companies he looks at.

Most smaller unit trust and other portfolio management companies prefer to focus their attention on smaller companies which are under-researched and, they hope, under-valued. But Arbib goes only for the big companies around the world. He rarely visits companies or their managements, but relies on stockbrokers' reports.

"You can ask, what do I know about them that everyone else doesn't? But what matters is what you see in the information. You have to get an overall view," he said.

Although he turns over about 80 per cent of his portfolio each year, he does not look for quick in-and-out deals and takes little interest in day-to-day price movements. "I won't have any of those television screens with share prices on them in my office," he says. "If I think I've found a good share, I'll hold it."

Several unit trust brokers said that much of his advantage has come from the smallness of his organisation and the fact that for several years he was running a one-man-show. He now has £75m in his four unit trusts and works with two other portfolio managers, Martin Rasch, and Bob Yerbury, whom he recently recruited from the Equity and Law insurance group to run his new American fund.

Whether size will dilute performance remains to be seen. But Mark Searle of Richards, Longstaff Unit Trust Portfolio Management contrasts Arbib's apparent lack of method with the approach of his more polished competitors who can always be relied on to produce a masterly intellectual defence for having bought the wrong share at the wrong time.

"He does not explain his decision-making process terribly logically," he said. "But he's very shrewd. And that's what counts."

BANK CHARGES

A NatWest mind bender

DAVID LASCELLES discusses the changes people can expect in how they pay for banking services.

ONE CRUMB of comfort for the customers of the National Westminster Bank who were dismayed by this week's announcement of higher charges is that Barclays, Midland and Lloyds will not be far behind. The annual increase in bank charges has become something of a ritual, and there is no sign of it abating.

To cushion the blow, NatWest is mailing its 5m customers a personal letter from Mr. Philip Girle, general manager of the domestic banking division, explaining not just the charges but how they can be minimised.

In outline, the scheme is simple. But in practice it is one of the most complicated yet.

All accounts will be subjected to a new "maintenance charge" of £3 a quarter. But customers can get round this by keeping either £100 in a current account or £500 in a savings account. If the balance falls below these minima, NatWest will offset the equivalent of 3 per cent interest on the cleared balance against the charges.

NatWest is leaving its 29p per cheque charge the same which is roughly what the other banks charge. But to encourage people to use the more efficient direct debit or cash machine services, it is cutting charges on these from 16p to 12p.

If, after all this, bank charges amount to less than £2 in any one quarter, they will be waived altogether.

But while stressing all the ways people can bypass charges, NatWest makes no secret of the fact that it expects its new tariffs to produce a sharp increase in revenue.

Mr Girle told a press conference this week that NatWest was hoping to raise from 30 to 40 per cent the proportion of the cost of running personal accounts that comes from direct charges. This implies a revenue increase of a third. The rest of the cost is covered by the interest profit margin NatWest makes on its customers' deposit or current account balances.

But for the first time, Mr Girle said, charges and interest profits together would cover the entire cost of providing money transmission services for private individuals.

Ultimately, though the clearing banks are aiming to cover the cost of these services just from charges, which is why they will continue to go up.

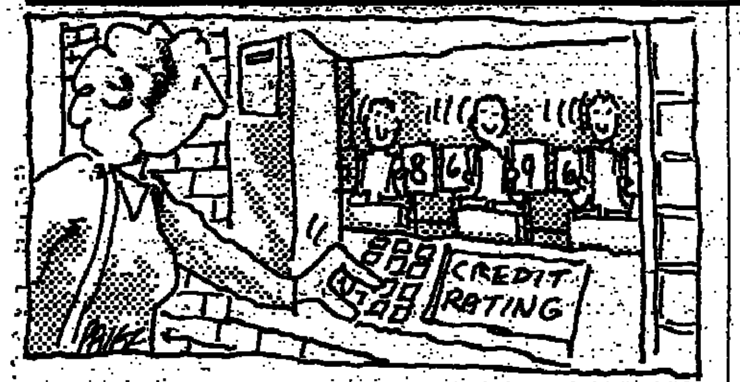
On the other hand, once banks get their retail service paying for itself, they should be able to pay more interest on savings accounts, and even—a much talked-over goal—on current accounts.

But for the taxpayer, this may not be the boon it seems. A bank customer currently gets "interest" on his balances in the form of subsidised services: he is being paid in kind which is not taxed. But if the banks end up paying higher interest, this will be taxed as income.

But at present it makes little sense to leave £500 in NatWest's deposit account where it will earn interest of only 5½ per cent gross, or £19.25 per year for the basic rate taxpayer. By putting £100 in a current account and £400 in building society ordinary shares, you can earn at least £29 per year net, and still receive free banking.

Below is an example given by NatWest of how the charges would affect a typical customer.

	£ p
25 cheques at 29p	7.25
5 automated debits at 12p	60
Account maintenance charge (£3 per quarter)	3.00
	10.85
Less allowance on an assumed cleared credit balance of 3 per cent per annum	1.00
Charges saved	9.85



CONSUMER CREDIT

Boost for scruffs

CLIVE WOLMAN discusses a new way of measuring credit worthiness.

IF YOU'RE single and female, dress scruffily or speak with a strong regional dialect, you can expect to be granted loans or credit cards more easily as a result of the UK launch this week of a new system for assessing creditworthiness.

Those who use credit, either out of necessity or through forgetting to pay bills on time, can also look forward to being charged a lower differential rate of interest over the banks' base rate.

CCN Systems, a subsidiary of Great Universal Stores, which itself grew into a mail order giant through an aggressive use of credit, is seeking to break into a market which has been the almost exclusive province of U.S. companies, that of designing credit-scoring systems.

Until recently, requests for credit have always been considered on a personal basis by a bank manager or some other official. Assessments would vary according to his moods and prejudices—and an excessive amount of managerial time would be wasted.

By contrast, credit-scoring seeks to measure the probability that an individual will defaut on his loan on an objective basis. The applicant fills in a form giving details for example about his age, address, occupation, salary, wealth, marital status and past credit record. Between eight and 12 different factors are taken into account.

Points are awarded for each reply based on a statistical analysis of the credit records of other people falling in the same categories. For example, home owners may be awarded more points than tenants.

Credit-scoring has gradually come into use over the past five years in the UK. All the major clearing banks except for Lloyd's are using credit-scoring systems of varying degrees of sophistication. So too is Access—but not yet Barclaycard. The Finance Houses Association and other credit institutions produced a guide to credit-scoring for the public in September. It is estimated that by the end of the decade at least 80 per cent of all credit applications will be scored.

Until now, however, UK companies using credit-scoring systems have relied almost exclusively on U.S. expertise, particularly that of the Californian company, FICO. But CCN Systems hopes to cash in on its greater experience of UK borrowers and provide clients with a tailor-made service.

Great Universal Stores began using credit scoring nine years ago. Its directors believe that this has played a major role in keeping losses from bad debts below those of its competitors, while increasing the proportion of approvals for credit

Both theory and the U.S. experience suggest the credit-scoring ought to bring down the cost of borrowing, in the long term. But the effect of this may be obscured from the UK consumer by the changing structure of banking charges and the increasing use being made of financial assets as collateral for loans.

A survey recently completed by the Office of Fair Trading indicates that many institutions using credit-scoring have been accepting a higher proportion of credit applications than in the past. Credit-scoring has also exposed some of the prejudices credit assessors have traditionally held against certain types of people.

One company has introduced a positive weighting in favour of single women after discovering that their credit record was much better than their assessors had realised.

The OFT is due to produce a report within the next two or three months which is expected to lay to rest any public suspicion of the fairness of credit-scoring.

Growth of infant market deepens split

THE OVER-THE-COUNTER Market has grown like Topsy this year. From a monthly turnover of a little under £600,000 in December last year, dealings reached £6.55m last month.

These statistics understate the true growth rate since they do not include the returns from Hill Woolgar, one of the leading dealers in the market, and the issuing house, Granville, formerly M. J. Nightingale. They have been left out of the count because they do not normally act as a market-maker, buying and holding stock in the manner of a jobber in the full and unlisted securities markets. Their function is mainly to match buyers and sellers.

The increase in dealings is matched by an increase in the number of dealers. Over the past 18 months, the number of market makers has shot up from two to 24 and the number of companies traded has climbed from 30 to almost 70. One of those most closely involved with the development of the OTC is convinced that the number of stocks traded will reach 200 by the end of next year.

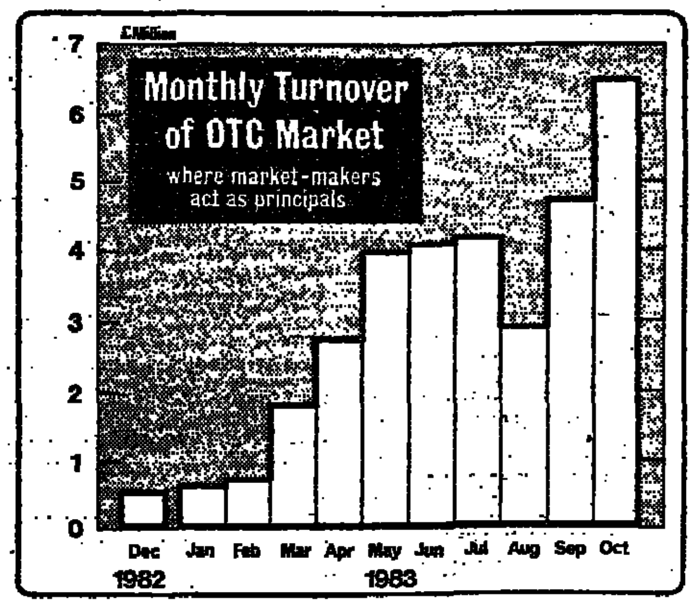
The stocks on offer vary widely from Applied Holographics, involved in three-dimensional image-making, through to Zootopia, the owner of a small zoo.

The spread of sectors reflects fairly accurately that of the senior market or the USM although there is disproportionate bias toward energy exploration and the development of computer-related technology. One of the better known stocks is Reynolds Diversified where OTC dealers made a market when, following the sudden discovery that the U.S. exploration company had no listing in its own country, it abruptly lost its full London listing.

The title "Over-the-Counter" is possibly a misnomer. This collection of stocks and dealers is perhaps best described as a telephone market. There is no board of prices on an established trading floor for all to see, merely a flow of pink sheets showing the prices listed on a daily basis.

There is no hard and fast rule for the basis of dealing. This varies between the dozen market makers. It is usual, however, for new clients to be required to write a letter setting out their intended transaction. But thereafter the telephone is the most common form of contact and settlement is often on a Stock Exchange account basis.

The vexed question of dealing commission is mostly by-passed by OTC dealers. They usually prefer to make their money on the spread between buying and selling price, just as a jobber does on the Stock Exchange floor.



RAY MAUGHAN describes the rapid growth of the over-the-counter market and the problems of regulating it.

But the potential dangers to the investor of such a rapidly growing telephone market in which often prices are decided by just one dealing firm, are recognised by even the market's most ardent supporters.

As somebody close to the action said last week: "It is almost certain that somebody is going to hit the wall at some point." Self-regulation is now the talking point for the OTC. It seems probable that Professor Jim Gower will recommend in his report on investor protection, due this winter, that all the securities markets should be permitted to run their own affairs rather than submit to supervision by external bodies.

The OTC has now come to a fork in the road as far as its own rules of conduct are concerned. The National Association of Security Dealers and Investment Managers reckons to represent most dealers and hopes later this month to apply to the Department of Trade as an umbrella organisation for members to obtain licences to deal.

But four dealers — Afcor Investments, Harvard Securities, N. K. Cosgrave, and Prior Harwin—have decided to go their own way and they are the most active on the OTC.

They expect to unveil their own constitution and regulations within the next few weeks under the authority of the British Institute of Dealers in Securities, which they set up earlier this year.

With the OTC's expansion being fuelled by the soaring popularity of the tax concessions granted by the Business Expansion Scheme, launched by the Government in March to stimulate the development of small companies unquoted on the main stock markets, the issue of regulations demands a more coherent solution than this duplication of structures.

Dreams of dockland

BY JUNE FIELD

THE 72-YEAR-OLD retired docker in The Gun on Coldharbour on London's Isle of Dogs confided that the little terrace houses alongside at the entrance to the West India Dock used to cost 7s 6d a week to rent when he lived in one. (*The old inn, by the way,* was where Lord Nelson is reputed to have stayed when he was courting Lady Hamilton who lived in a cottage nearby.)

Now the unassuming turn-of-the-century dwellings that were mainly sold in rough condition for £10,000 or so in 1978, fetch in the region of £50,000 upwards, rehabilitated and dressed up with Regency-style doors and the occasional pebble-dash frontage.

Over a draught Guinness with a plate of winkles, my informant reminded me that Coldharbour is aptly called, as it is on the bare knuckle of the river. (The island is supposed to have earned its name because Charles II's hunting dogs made so much noise at Greenwich's Royal Palace, that he banished them to the opposite bank.)

From the Isle of Dogs to St Katharine's yacht haven and across to Bermondsey and Rotherhithe and the Surrey Docks, regeneration and revitalisation are at last beginning to give the areas an acceptable face, although there are still some unprepossessing gaps in the *maquillage.*

"It is like a dream come true," says Martin Carleton Smith, who in February set up as Dockland's first specialist estate agent. His devotion to the river scene has been very much an act of faith, never faltering even when so many deals were hedged about with restrictions of the most frustrating kind. And a truly enlightened eye is needed to visualise the possibilities of transforming boarded-up, down-at-heel buildings surrounded by rubble-filled wasteland.

But as he points out, there is plenty to see that is encouraging, beginning with the London Dockland Development Corporation's new red brick road on the Isle of Dogs' enterprise zone, which leads to a newly opened Asda supermarket. Moving further down to the foot of the Isle, there are two plum sites which have been taken up by Wates and Barratt. Also, along towards Wapping, the LDDC is busy parcelling up and landscaping large sites for other volume housebuilders, with Broseley Estates looking like being the first away.

"In two years' time the whole area will be seething with activity, a unique new London neighbourhood. So if you really seriously want to be a part of it, get down here and look," *commands Carleton Smith in* his offices at London Dock House, 1 Thomas More Street, E1, next to the Watermen's Company premises. "The most interesting bargains get snapped up long before they get to 'particulars' stage."

To show what is happening along Bermondsey's riverside, he drove me to look at what he calls "the most important new development in the area. This involves some 25 acres of land stretching out from Tower Bridge, forming the last remaining piece of original Victorian docklands.

"It includes Butler's Wharf, 11½ acres of predominantly vacant Victorian warehouses, plus most of the Shad Thomas St Saviours' Dock Conservation Areas and several listed buildings on the riverfront. The site is reported to have been acquired by a consortium headed by Sir Terence Conran which should bode well for a lively and dynamic mix of residential and work units," says Carleton Smith, always enthusiastic about what he calls "tremendous happenings down on the docks".

We walked under the cast-iron bridge that links one side of the old Courage brewhouse to the other over the narrow cobbled street; this is part of the 4½-acre Horsleydown site where at one time the local populace practised archery.

The freehold of these 4½ acres has been bought by the Jacobs *Island Company* which has also bought the freehold of the 4-acre Jacob Street-Mill Street sites, which include China, Meriton and India Wharves as well as the old Spillers' factory.

This area also encompasses the £6½m project New Concordia Wharf, which I wrote about earlier this year. Residential flats completed only to shell-stage — that is without internal walls—sell now from *around £35,000 to £150,000* for some 3,000 sq ft that could provide four bedrooms and two bathrooms.

Because they are about eight to 10 weeks behind schedule *on main construction work,* some buyers have been chafing at the bit to get in and organise the fitting-out of their accommodation.

"But the building should be presentable by the end of the month, with a show flat ready after Christmas," says Andrew Wadsworth, partner in the Jacobs Island Company. He wants to be installed in his own tower-apartment by then. The scaffolding was coming down from the waterfront side last week as we spoke on the deck of his floating office, "The Harpy," an old Customs and Excise vessel now permanently moored at the end of Mill Street, with a walkway to New Concordia.

Andrew, 26, began in a small way by "buying little buildings such as a barn and coach house *in Cheshire, doing them up and* selling them." A partner in the current undertaking is Basil Dunning, a large private construction company in Andover, Hants.

Encouraged by Martin Carleton Smith as his agent, Andrew *sees the development of* dockland as a gradual process, bringing back life to the waterfront, with rehabilitation and renewal the aim rather than demolition and completely new buildings. "I want to achieve something akin to what has been done in Covent Garden, making it another exciting milestone in the development of London."

He feels that offering both liv*ing and studio-workshop* areas at shell-stage, helps to dispose of any "gentrification" label. "It is up to the people who live and work here to decide how basic or luxurious they want things to be."

For those in "housing need," an exciting new venture on the riverside opposite Wapping, is Thames Tunnel Mills, across from the churchyard of St. *Mary's Rotherhithe.*

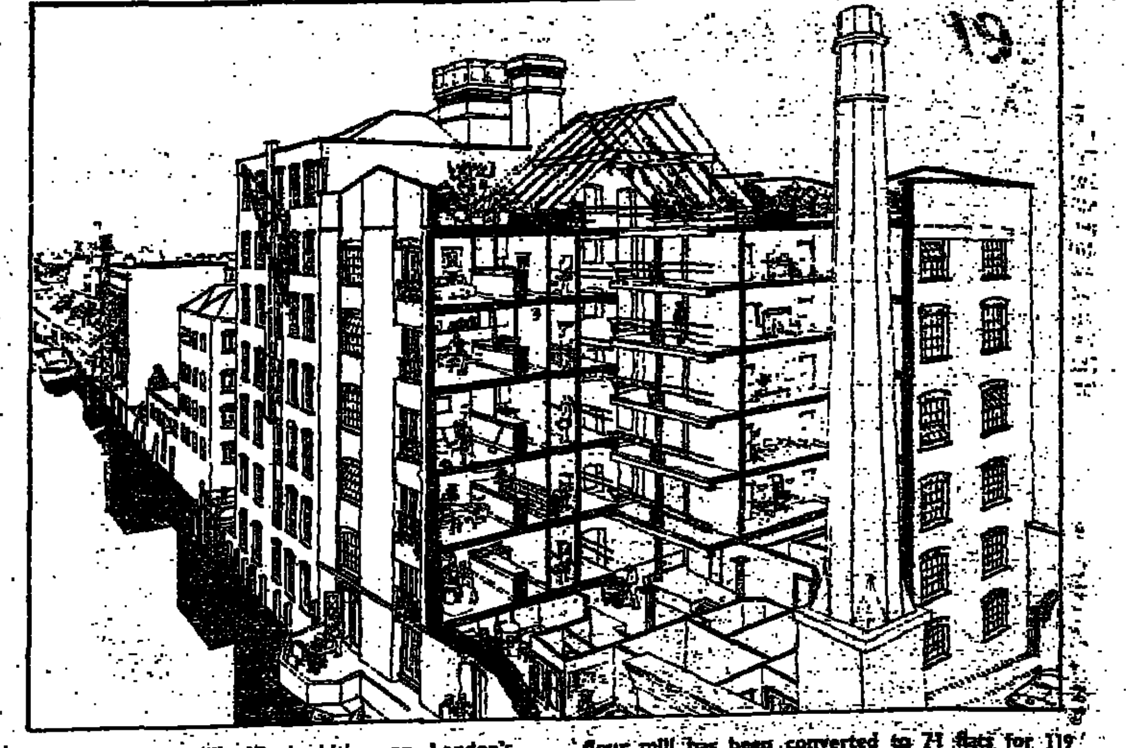
Converted to 71 flats for 119 single people, it is being launched on Tuesday and officially opened on Friday by the Duke of Gloucester. He is an appropriate *choice, because he* used to own it, some 10 years ago, although for various reasons he never got round to living there. (The architects for the new project are Hunt Thompson Associates, and Bernard Hunt and John Thompson were at Cambridge when the Duke was Prince Richard, and who later became a partner in the firm at one time).

The former 19th century flour mill, dead space and an eyesore through vandalism and fires, was finally bought by the London and Quadrant Housing Trust, a registered charity belonging to the National Federation of Housing Associations. A complete new structure has been built within the shell of the existing one, with the original silo retained for lift, stairs and refuse chute; the massive timber beams and cast-iron columns have been incorporated *into a conservatory* which lets in light to the centre of the building.

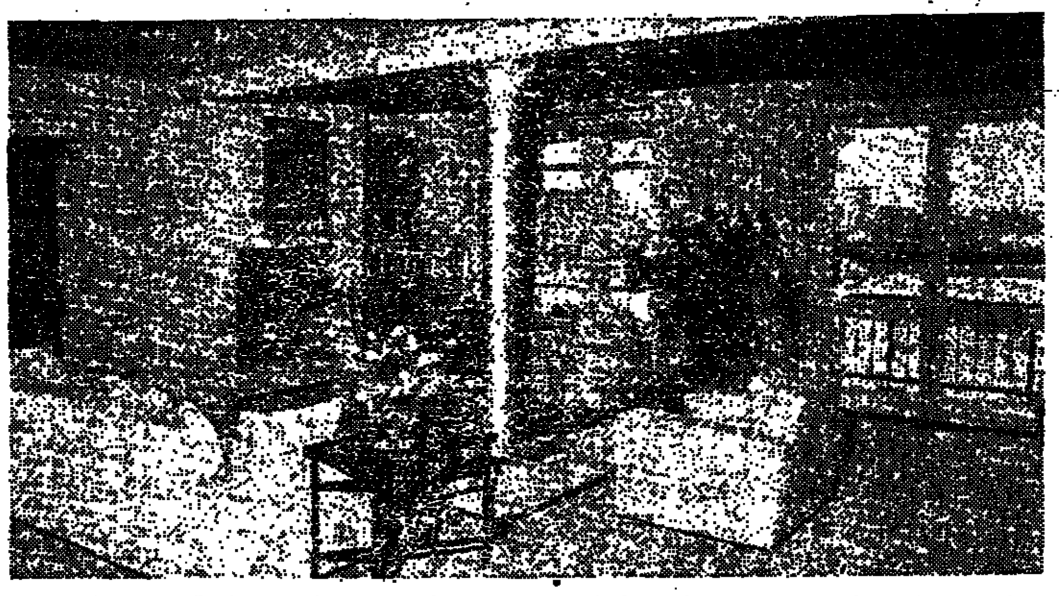
The accommodation will be let on "fair rents," which are expected to be in the region of £35 or so a week, to include maintenance, rates and heating. With the variation in sizes and outlook of the bed-sitter and 1-bedroom flats, the Rent Officer is having a difficult task working out the apportionment.

Half of the units are going to those on Southwark Council's housing list, the rest are being allocated by the Housing Trust to those with needs for homes such as nurses, teachers, the police and so on, who work in the area, with a few places reserved for older people. "We do not want to be thought of only as a young single person's ghetto," was how they put it at the Housing Trust's headquarters at Osborn House, Osborn Terrace, SE3.

The scheme has a grant of £200,000 from the Historic Buildings Council.



Thames Tunnel Mills, Rotherhithe, on London's South Bank, designed for the London & Quadrant Housing Trust by architects Hunt Thompson Associates, is being launched by the Duke of Gloucester next week. The one-time 19th century flour mill has been converted to 71 flats for 119 single people, to be let at fair rents to those in housing need. *Details Michael Smith director* London & Quadrant Housing Trust, Osborn House, Osborn Terrace, London SE3 (01-852 9181).



Flat in Olivers Wharf, Wapping High Street, London, E.1., Victorian Gothic tea warehouse on the north bank of the Thames, converted some eight years ago. The walls are stock-brick and the original cast-iron supports and wood beams have been retained. Price around £200,000 through Carleton Smith & Company, London Dock House, 1 Thomas More Street, London, E1 (01-488 9017).

هكذا في الأصل

هكذا منذ الأزل

Remember, remember . . .

BY ARTHUR SANDLES

BY BRITISH STANDARDS, Mr Guy Fawkes' attempt to send King and Parliament to the hereafter was uncomplicated stuff. There were relatively few plotters and Fawkes, who had been born in York and served in the Spanish army in the Netherlands, knew his job. The weak link was a concern for the lives of friends. The Catholic plotters, worried about some of their associates in the Lords being caught up in the big bang and warned them in advance. The warning was passed on and the plot, as they say, was blown.

Fawkes, along with Catesby, Percy and Wright, came to a spectacularly gruesome end — rather more gruesome than the simple burning to which Fawkes' images have been subjected ever since. The coincidence of Saturday night and November 5 this year should produce a vintage evening for bonfires and firework displays. It might also serve to hold back the return of rival Halloween celebrations which we have seen in recent years, and help to concentrate the event on one night, rather than the cat-frightening several days the past decade has seen develop.

Much of the country will, it seems, be in flames tonight. There are no less than five officially backed bonfire and firework displays in the Manchester area this evening; Birmingham holds its bonfire carnival tonight at Senneley Park; in Brighton the Lions have taken over Withdean sports stadium for the burning of Guy; and at Peterborough what is claimed as the biggest fireworks display in East Anglia is promised for the fireworks fiesta at Nene country park. If it does rain tonight, or you are in the mood for more, many towns are offering displays on Sunday. Yeovil, in traditional West Country individuality, is one of them (Barwick Park, 6.30).

The most spectacular plotter of the century was, of course, Titus Oates. Originator of a plot within a plot, Oates was born in 1649, the son of an anabaptist New Model Army chaplain. Young Titus was expelled from Merchant Taylors' School and later from Caius College, Cambridge. Sudden departures from posts became a pattern of his life. School text books are a bit vague on the matter, but it is now clear that Oates's homosexuality often proved something of a problem. He was even fired from his job as chaplain of the frigate, Adventure, for his sexual proclivities. His longest stay in one post was as a curate at the still-standing church of All Saints in Hastings. In 1677 he was fired once more, this time as chaplain to Lord Norwich's household, and promptly performed a religious somersault to become a Catholic.

A year later, Oates, and a Dr Israel Tonge set the cat among the political pigeons by accusing large numbers of eminent fellow Catholics of a plot to murder the king and kill thousands of Protestants. The accusations were ludicrous, but these were edgy times. Eventually, Charles II managed to quieten the furore but not before great damage had been done. Even Samuel Pepys, one of the "accused," went to the Tower for a spell. It was not until 1685 that Oates was convicted of perjury. Released much later (not before fathering a child while in prison!), he became a Baptist preacher in Wapping.

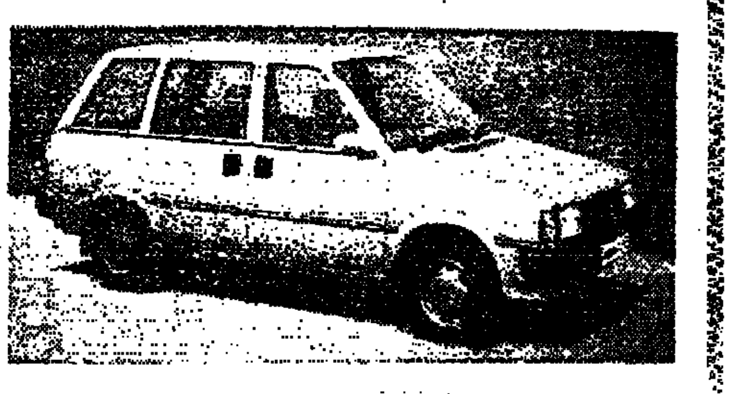
Oates would hardly seem worth the burning, but another plotter, Wat Tyler, would seem to be worth celebration. Tyler managed to banish the idea of a universal tax on British citizens for more than 400 years. His rebellion and plot came only one year after the imposition of an annual one shilling a head tax on every man and woman over 14.

Although it was in the villages of Essex that the revolt first started, it really got under way at Dartford, in Kent — then a major Thames port, but today a featureless London suburb, which still, however, boasts a splendid old coaching inn, the Bull, if little else of note. Today's traveller is better advised to take up the Tyler story at Rochester, whose castle is still worth a visit, and Maidstone, where Tyler's men stormed the prison and freed the egalitarian preacher, John Ball, famed for his verse:

When Adam delved and Eve span,
Who was then the gentleman.

Tyler and Ball went on to Canterbury (see Cathedral and Becket for more plots) and thence with their followers to London. Blackheath was reached, if records are to be believed, in two days' marching. It is 55 miles. On the Heath they met up with Jack Straw's Essex rebels and stormed the City.

There was much to-ing and fro-ing and much talk. In the end, Tyler, in a truculent meeting at Smithfield with the youthful Richard II, looked as if he was going for his sword. The Lord Mayor promptly stabbed him to death, and was knighted on the spot. It was the end of the plot, but also the end of the poll tax.



Nissan's Prairie makes up in utility what it lacks in conventional beauty. There can't be an easier car to enter and leave. This tall, thin estate with five seats, masses of interior space and 17 inch loading height could be the answer to a long legged driver's prayer. With only 1.5 litres and 75 hp, it demands plenty of gear shifting when fully loaded. But used solo, the front-wheel driven Prairie felt acceptably lively, rode well and parked easily. The front doors fasten to the body at top, centre and bottom: the rear ones slide as though on ball bearings. Despite having no centre pillar, the Prairie feels rigid. At motorway cruising speeds it was free of wind roar and quieter than many saloons. High gearing—both fourth and fifth are overdrives—provides good economy. I obtained 35 mpg at sensible speeds, 32 mpg in town or when hurrying. At £6,000 the prairie offers big car accommodation at small/medium car running costs. After 750 miles I reckoned it one of the most practical cars I had ever driven.

Agonised pleas by tall drivers

MOTORING

STUART MARSHALL

TALL DRIVERS of the world unite. You have nothing to lose but your pains.

Three weeks ago I asked, on behalf of a 6 ft 6 ins reader, which 1.6 to 2-litre cars costing between £6,000 and £8,000 could a really tall driver fit into comfortably. Advice and recommendations from the ultra long-legged has poured in ever since. The sheer volume suggests that the problem is bigger than some car makers are aware and that it won't go away because people are generally getting taller, generation by generation. Unfortunately, cars have been getting lower, though recently there has been a welcome change of direction by the Japanese. (See the Nissan Prairie above.)

● We tall drivers—I include myself though a mere 6 ft 2 ins —are a sizable oppressed minority. Our difficulties may be summarised thus:

● Roofs and window openings are too low. We bang our heads getting in and out and develop bald spots by rubbing our crowns on the roof lining.

● Seats do not go back far enough. We have to drive with legs splayed open to stop the steering wheel rim contacting our thighs. This is uncomfortable — a bony knee pressed against a window winder can be agonising and incorrect posture results, which leads to backache.

● Instrument panels are designed for those of normal height. Tall drivers find their view of the dials obscured by the steering wheel rim, the visor that prevents reflections into the windscreen, or both.

● *Seat belts are at the wrong* angle for the very tall, especially if seats are pushed back to the limit of their travel, even more so the range of adjustment is extended by modification.

So what's to be done? Before turning to specific recommendations from readers—my thanks to you all for the letters, which were too numerous for individual answer—there are two palliatives. They may make an otherwise unsuitable car into a reasonable choice for the lofty. Ask the dealer if the driving seat can be made to go further back by relocating the runners; in many cars they can, and at modest expense. Consider having a smaller, or more deeply dished accessory steering wheel fitted instead of the original one. That may eliminate the splayed legs problem.

Now for the best cars. Overwhelmingly, the most popular recommendations are the Peugeot 504 (now out of production) and 505, the VW Passat and Audi 100 (including the former Avant). Vauxhall Carlton, BMW 5-series and Volvo 240. None is a small car; some cost more than the £8,000 maximum laid down by my original seeker of help. There are, however, some very good buys to be had in the low mileage, second-hand market.

A 6ft 6 ins Doncaster reader says he and his substantial family have motored comfortable in Peugeot 504 estates for nine years. The new 505 fits him beautifully—but not his garage. A Gloucester reader, even taller at 6 ft 7 ins, changed to a VW Passat diesel after six years and 82,000 happy miles in a 504. He finds the Passat more comfortable still.

From Edinburgh, a 6 ft 5 ins ex-Saab owner ("durable, but on the tight side for me") swears by his Audi Avant—the old model—and intends to buy a new Avant diesel in due course.

The Vauxhall Carlton—an adjustable steering wheel plus vertical as well as to-and-fro movement for the driving seat —is tall-driver-friendly, except that the window winder is where one's knee rests. And so is the BMW 5-series—also with adjustable steering — which helps the long legged to sit comfortably. One radical suggestion: why not make a car with one big door on the off side, two normal doors on the nearside? A tall driver could enter and leave easily and if some legroom for one rear passenger disappeared, then so be it. The Toyota Space-Cruiser *has a rear compartment door* only on the nearside, but is a special case. Its steering wheel adjusts too, and headroom is almost unlimited.

The Volvo 240 had several advocates. Swedes tend to be hefty and may wear heavy clothing in winter, encouraging spacious car interiors.

Among small cars, I have found the new Fiat Uno pleasingly tall inside and have also settled comfortably in the Citroen Visa.

If all else fails, the extra

If all else fails, the extra-tall but still uncomfortable driver might call the Teleos Clinic (01-637 3088). Their speciality is individually fitted moulded lumbar supports. They won't keep knees away from window winders or thighs clear of steering wheels, but may eliminate or relieve back pain.

The best time to buy roses

GARDENING

ARTHUR HELLYER

IT IS time to plant roses, not just roses grown in containers which can be moved at any period of the year but bare root roses lifted from the open ground which can only be transplanted with safety between late October and the end of March.

Such roses have several notable advantages. They are light and so can be purchased mail order without excessive cost for carriage. Because of this they enable gardeners to buy from a wide range of specialist nurseries all over Britain, so giving a much greater selection than could be possible from any garden centre. Also, a point often overlooked, open ground roses have roots freely developing in all directions in ordinary soil, not roots cooped up in a container probably filled with a peat and sand mixture totally different from the soil into which they will be transplanted.

There are, of course, penalties as well as advantages. To get the best from bare root roses they need to be replanted as quickly as possible. Various methods of packing in polythene, moist moss or peat will prolong their life out of the soil but there is still some deterioration and the ideal is to replant directly the roses arrive. If this is impossible they should be heeled in temporarily and be well watered if their roots appear to be dry. A little more care is also needed in planting to ensure that damaged roots are suitably shortened or removed and that they are all fully spread out in a natural way in holes sufficiently large to ensure that all are covered with not less than two inches of soil which must be made firm. But the advantages far outweigh this little extra care and I strongly favour planting open ground roses.

So what to plant? The choice is great, too great, I would say, for the convenience of non-specialist gardeners who are bewildered by such an array of competing varieties and claims. Inevitably publicity is concentrated on the newest and most expensive roses which in the long term may not prove to be the best. My own garden is littered with roses that are many years out of fashion, crimson Frensham which, contrary to expert opinion, does not get mildewed in my garden, deep scarlet Paprika with a bluish eye that makes it instantly recognisable, Aloha, an unusual shade of pink, a big shapely flower and a plant that can either be grown as a big bush or a small climber, and Ritter von Barmstede, another red rose which is classified as a climber but which I grow as a bush. Catalogues, if you can find it in them, are likely to describe it as cerise pink but it seems to me much deeper coloured than this would imply. It goes on flowering well into the autumn and is now carrying a fine crop of scarlet heps.

I grow Fruhlingsgold and Golden Showers, Iceberg, Penelope, Buff Beauty, William Lobb, a wonderful shade of blue magenta impossible to describe adequately. Pernille Poulsen mysteriously dropped from most catalogues—though it is a superb bright pink, sweetly scented, cluster flowered rose. I also have Eden Rose, Arthur Bell and Matangi, both of which are still fashionable, and Super Star which I do not much like but am reluctant to discard because it makes such a good display and continues to flower so late. Then I grow Handel, Pink Perpetue, Violette, Goldfinch, Dorothy Perkins, American Pillar Chaplin's Pink Climber and Albertine and dearly love two bushes of Madame Butterfly although they are about 50 years old and rapidly becoming geriatric so I must attempt to rejuvenate them from cuttings.

There are many climbers in this list but none is trained on a wall and only a few have the support of pillars or a pergola. Most find their own support among shrubs or trees and one immensely vigorous form of *Rosa multiflora* which was given to me 30 years ago by Mr A. Norman the raiser of Frensham and Ena Harkness, has scrambled to the top of large larches and oaks. It is a relaxed way of growing roses.

But with a few exceptions they are not the fashionable roses of the 1980s. Searching for guidance in *Rose Analysis*, conducted yearly by the Royal National Rose Society and compiled from the votes of a considerable panel of experts, I find that the top 10 large flowered (hybrid tea) roses are: Silver Jubilee, Grandpa Dickson, Red Devil, Wendy Cussons, Peace, Fragrant Cloud, Ernest H. Morse, Pink Favourite, National Trust, and Just Joey. I have no quarrel with that but would like to have had Piccadilly, probably the best scarlet rose with gold reverse ever raised, in place of either Red Devil or Ernest H. Morse to spread the colour range a little wider.

Turning to the cluster flowered (floribunda) selection I find Iceberg, Evelyn Fison, Southampton, Queen Elizabeth, City of Leeds, Elizabeth of Glamis, Margaret Merril, Matangi, Korresia, and Anne Harkness in that order. I am a little less comfortable here as I find Queen Elizabeth too gawky and have never been able to grow Elizabeth of Glamis well, but maybe that is my fault. Looking further down the list I would certainly have given Pink Parfait, Arthur Bell (a super yellow rose), Molly McGredy, Allgold and delicately mauve Escapade higher places than they have got. As to Eye Paint, a gaudy single scarlet and white rose, I am a little puzzled for having admired it greatly in other gardens it has sulked with me for a couple of years but suddenly this autumn, since the rains came, has taken off and now looks almost as good as anticipated. Another year will be needed to consolidate or destroy this belated good impression.

I have also had a closer look at some of the very recent introductions and find that I like baby pink and white Regensburg though I have been told that it gets mildew too easily for comfort. It is one of the many new roses that are shorter than average which can be useful in small gardens or in larger ones if one is trying to produce a tiered effect. Some of these short roses have flowers of normal size; others, like orange red Anna Ford, have quite small flowers and leaves yet are too tall to be classified as genuine miniatures, a class which constantly grows in numbers but which I rarely meet in gardens. I wonder what happens to them all?

CHESS

LEONARD BARDEN

THE DISPUTED and controversial world chess semi-finals have finally found a home in London after the Russians earlier refused to travel to the original sites at Pasadena and Abu Dhabi. Gary Kasparov of the USSR will meet Viktor Korchnoi, the Russian defector now living in Switzerland; while the Soviet veteran Smyslov will take on Ribli of Hungary. Both matches are best of 12 games, and the likely starting date and place is November 21 at the Great Eastern Hotel.

Acorn Computers put up £80,000 to bring the matches to Britain, and they outbid rivals from Rotterdam, Madrid and Graz. Much credit goes to England's FIDE (World Chess Federation) delegate Ray Keene who persuaded the FIDE congress to let him have an option. FT man Dominic Lawson, a strong chessplayer, put him in touch with Acorn whose sponsorship is the largest ever for chess in this country.

The long drawn-out controversy over the site and Korchnoi's track record of disputes against Russians make his match against the young and dynamic Kasparov a needle occasion. But Korchnoi has behaved impeccably in not insisting on a win by default, while Kasparov, a player of *enormous potential and talent*, is more outgoing than the champion Karpov. So this month's battle of the two Ks is likely to have less emphasis on aggro and more on chess content. Here the prospects are exciting as both Kasparov and Korchnoi use a sharply tactical style and rarely go for safety first draws. The younger man is a clear favourite, but Korchnoi may well score in individual games.

They have already produced one memorable encounter when they met at last year's Lucerne Olympics. Kasparov won then, and kept in front at the recent world blitz (five minutes per player per game) in Yugoslavia. Despite the ultra-fast time limit, he sacrificed both rooks brilliantly.

WHITE: G. Kasparov.
BLACK: V. Korchnoi.
Nimzo-Indian Defence
(world blitz 1983).

The opening moves were 1 P-Q4, N-KB3; 2 P-QB4, P-K3; 3 N-QB3, B-N5; 4 P-K3, 0-0; 5 P-QR3, BxN ch; 6 PxP, P-Q3; 7 B-Q3, P-K4; 8 P-K4, P-B4; 9 N-K2, NB3.

10 0-0

Because of the fast time limit White opts for an obscure gambit rather than the main line 10 P-Q5. Black's best counter is to accept: 10 . . . BPxP; 11 PxP, PxP; 12 B-N2, R-K1, organising counterplay while White regains the pawn. *Korchnoi tries something different*, but it proves a serious error.

10 . . .	B-N5
11 P-B3	B-R4
12 P-Q5	N-R4
13 P-KN4!	B-N3
14 P-KR4	NxNP

Already a desperate throw, since Black's three pawns are far back and fail to compensate White's extra piece: but if 14 . . . P-KR4; 15 P-N5, N-R2; 16 P-B4, P-B4; 17 KPxP, BxP; 18 BxB, RxB; 19 Q-Q3 followed by P-B5 when the mobile pawns stifle Black's counterplay.

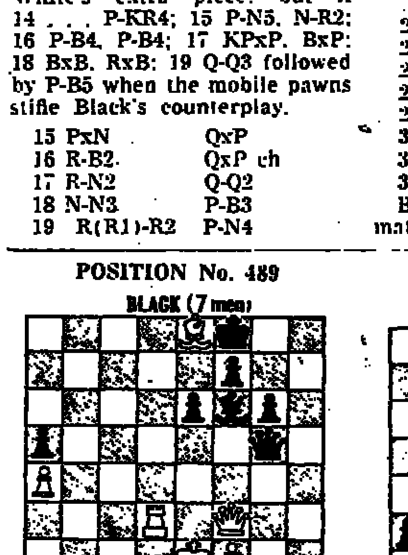
15 PxN	QxP
16 R-B2	QxP ch
17 R-N2	Q-Q2
18 N-N3	P-B3
19 R(R1)-R2	P-N4
20 PxP	P-B5
21 B-K2	QxP
22 B-N4!	

From this diagonal the black king will be cornered and set up for a tactical finish.

22 . . .	N-N2
23 QR-N2	Q-B4 ch
24 K-R1	Q-B2
25 B-K6 ch	K-R1
26 N-B5	N-B4
27 RxB!	NxB
28 R-KR2	K-N1
29 RxRP!	KxR
30 Q-R5 ch	K-N1
31 PxN	KR-K1
32 B-R6	Resigns

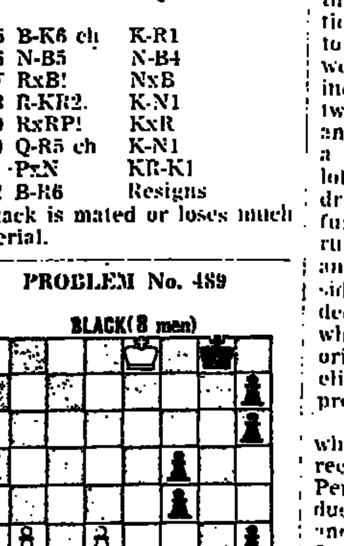
Black is mated or loses much material.

POSITION No. 489



Van der Wiel v. Andersson, Tilburg 1983. A puzzle in winning technique: White (to move) is rook for two pawns up, but Black's men are in a solid defensive cluster while *the white king is exposed to* checks. How did White force a win?

PROBLEM No. 489



White mates in three moves, against any defence (by C. Bidunescu). "Too easy!" wrote many solvers when this problem first appeared. The critics all fell for the *composer's trap—a near-miss which* can be cleverly defeated.

Solutions Page 14

BRIDGE

E. P. C. COTTER

MY FIRST hand today comes from an international pairs tournament:

N
♠ A K 7
♡ A K J
♢ A Q 7 5 2
♣ Q 10

W
♠ J 8 2
♡ Q 7 5
♢ 10
♣ K 9 8 6 3 2

E
♠ 10 5 4 3
♡ 6
♢ K J 4 3
♣ A J 5 4

S
♠ Q 9 6
♡ 10 9 8 4 3 2
♢ 9 8 6
♣ 7

With both sides vulnerable, West passed as dealer. North opened the bidding with two clubs, and South gave the negative response of two diamonds. North rebid two no trumps, indicating a balanced hand of 23 points. In this sequence South may pass with fewer than 3 points, but on the strength of his six-card suit he said three hearts, and his partner raised to four.

Nearly all the North-South pairs reached the heart game, but against West's opening lead of the singleton diamond most declarers failed to fulfil the contract. Some finessed the diamond Queen, losing to the King and suffering two ruffs; others played the diamond Ace at trick one, but tried to drop the trump Queen, and had to concede two diamonds, a club, and a heart.

Let us see how Benito Garozzo, the Italian maestro, made ten tricks. He won the opening lead with dummy's Ace, cashed the Ace of hearts, and returned the ten of clubs—a lovely Scissors Coup, cutting the enemy lines of communication. West took the trick, and switched to the two of spades. Winning with dummy's Ace, the declarer ruffed the club Queen, cashed the spade King, and returned to his Queen. Leading a heart, he finessed the Knave on the table—if it won, his losers would be restricted to a club and two diamonds; if it lost, the trumps would have broken. East would be end-played, and forced either to set up the diamond Queen, by leading that suit, or concede a ruff discard by the return of a black suit.

And that is dummy play *par excellence*.

For the second hand we turn to rubber bridge:

N
♠ A
♡ A K 7 5
♢ Q 9
♣ J 10 9 8 6 2

W
♠ J 10 9 7 5
♡ 9 4 2
♢ 7 6
♣ A 7 3

E
♠ 8 6 3 2
♡ Q J 10 8
♢ A 5 4 3
♣ K

S
♠ K Q 4
♡ 6 3
♢ K J 10 8 2
♣ Q 5 4

South dealt at game to North-South, and after two passes North bid one club. South replied with one diamond. North rebid one heart, and raised his partner's response of two no trumps to three.

Winning West's Knave of spades on the table, South returned the diamond Queen, which was allowed to hold, and switched to the Knave of clubs, which lost to the King. East returned the heart Queen to dummy's King, and a club return ran to the Queen and Ace. West led back his nine of hearts, which was taken by the Ace, and the declarer, with no entry back to hand to cash his spade winners, had to go one down.

With more attention to detail the declarer could have collected nine tricks. To play the diamond Queen at the second trick was a mistake—he should first have led the club Knave. East wins, and returns the heart Queen to dummy's King. Now is the right time to lead the diamond Queen. East is forced to duck, and the declarer overtakes with his King. He cashes a spade honour—only one, of course—and switches back to the club Queen. Now the defence cannot prevent him from scoring four clubs, one diamond, two spades, and two hearts. It is essential to play the minor suits in the proper order — it gains a precious tempo.

Young Maynard

BY NOEL ANNAN

John Maynard Keynes: Hope Betrayed 1883-1920
by Robert Skidelsky. Macmillan. £14.95, 447 pages

Roy Harrod's life of Keynes, which I reviewed more than 30 years ago, was distinguished for its good manners to friend and foe alike and for the feat of digesting in three years a mass of material. He had turned himself into a boa-constrictor and swallowed an elephant. But I complained that Harrod's portrait was too illuminated by moist light. It was a tinted photograph, and Keynes's Bloomsbury friends might have preferred to remain undefended rather than see their actions explained away with such excessive delicacy. To Harrod Keynes's Bloomsbury days were a youthful aberration before he learnt the ways of the world. It was the book of an Oxford man struggling to understand a Cambridge mind.

Robert Skidelsky shows how firmly Keynes was committed to Bloomsbury's values in the first volume of his new biography which takes Keynes up to 1920 when he was 37. Skidelsky also shows that Harrod was far from accurate. Keynes was made to appear more conventional and man of the world than he was. Elizabeth Johnson has already shown that Harrod falsified Keynes's attitude to the war after conscription was introduced. Like his Bloomsbury friends he was a conscientious objector to compulsory military service. What is true is that they thought he did not go far enough. Yet at one point he wrote: "I work for a Government I despise for ends I think criminal." (The criminality was the refusal to negotiate a compromise peace.) It was precisely because he was so much a part of Bloomsbury, Skidelsky argues, that he felt so bitterly betrayed at Versailles and wrote with such passion. Reason had suffered a terrible defeat.

But there was a far more serious distortion in Harrod's account. He omitted all mention of Keynes's homosexuality. For this Skidelsky admits that Harrod could hardly be blamed — even if he laid a number of false trails. Keynes's mother and brother were still alive when Harrod wrote. So was his widow—though Lydia Lopokova would not have turned a hair.

Skidelsky is not interested in retailing scandal—after all the fact has been known publicly for some time. But he is right to appreciate how strong and convinced a homosexual Keynes was. Keynes and his friends believed that love for young men was a higher form of love and of supreme importance, a belief which altered their lives whether or not they later married. This is true; but what was original was their disdain for the usual apologies for such behaviour which would appeal to Plato or quote Lowes Dickinson on the Greek view of life.

Skidelsky declares they believed women were inferior in body and mind. That is not so true. They did not despise women so much as ladies. Ladies spelt the destruction of truthful conversation. In the first chapter of *The Longest Journey* Ricky's friends who have been discussing whether the cow exists melt away when Agnes arrives. Keynes and his friends thought heterosexual love was a *less good state of mind* because it involved the rituals of wooing and of female coquetry and male display of plumage: the female pretending to be alarmed and repelled when in fact allured and predatory and the man becoming entangled in the falsities of gallantry, the affair ending in what they regarded as the squalor of settlements and dowries.

I wish that Skidelsky had sometimes conveyed what it is like to be 21. Letters written at that age are said to speak for themselves but they need imagination to see what they really mean. These young men regarded jealousy as a degrading emotion. Yet when Keynes took up with Duncan Grant Strachey persecuted him with a ferocity which resembled the fury of Madame de Merteuil in *Les Liasons Dengereuses*. (Grant seems to have been like that well-known public school character, the House Tart, who can't say no and creates havoc among his admirers all of whom feel betrayed.) Keynes suffered in love as much as Strachey. He believed himself to be ugly and unattractive whereas his friends criticised him for being coarse and sensual.

Duncan Grant, Maynard Keynes and Clive Bell in 1919

Strachey taunted him during the war for remaining at the Treasury and accused him of being corrupted by power, self-importance and by his new friends in the beau monde. Skidelsky thinks his character *changed during those years*. It was then that he became known for his arrogance and annihilating rudeness in public life. It is significant that he was a tender son and never rebelled against his parents, though his father's concern for his academic achievements and for his worldly success must have been almost unendurable.

Skidelsky shows how orthodox a monetarist Keynes was before 1914 and how good a Treasury man at curbing expenditure even with Lloyd George as Chancellor: when L. G. became Minister for Munitions his task became harder. Sometimes, so it seems to me, L. G. was proved right in his encounters with Keynes, particularly over convertibility. But it could be argued that decisions about convertibility depended on timing. These sections of the book and those on Keynes's relation to Marshallian economics in pre-war days are excellently written.

This biography is a success because it has a theme. Skidelsky argues that Keynes tried to remain true to the ideals of his youth, to the cultivation of good states of mind and to despise the conventional values. But he also wanted to do good in the world and not be afraid to mix in it (indeed to win £25 at bridge from dowagers who could afford to lose it when he could not). He wanted to make government come to less stupid decisions. During the war, and with the greatest difficulty, he could make the reconciliation between private and public values. At Versailles he could not. No one can understand *Eminent Victorians* or *The Economic Consequences of the Peace* unless he realises that both are polemics against the war. For Strachey the world of politicians and institutions was incompatible with the good life. But Keynes was prepared to try again.

Skidelsky's analysis of Keynes's philosophy of life is convincing and well argued though I am not sure that I agree that "Keynes's post-war fear for the future of capitalism was profoundly influenced by the Victorian fear of a godless society." Still, he is well worth reading on Sidgwick and Co. even if Keynes's fears were not at all concerned with God but centred upon the chances of reason, and not revenge or envy, governing political behaviour.

Paradise lost

BY JOE ROGALY

Good Times, Bad Times
by Harold Evans. Weidenfeld and Nicolson £11.95, 430 pages

The trouble with Harry is that he consciously made the same pact as the good Dr Faust—and never stops moaning about it. Like the good doctor he has an admirable past: he was a brilliant editor of the Northern Echo, and a celebrated editor of the Sunday Times. But to take the revered monarch of all the world's newspapers, The Times itself, and have his way with her, he would risk his soul.

This book is so close a rendition of that story that it could be set to music, perhaps by Andrew Lloyd-Webber. A grand opening, with the stage littered with Sunday Times triumphs past—the Crossman Diaries, the DC-10 case, the excellent Thalidomide campaign—and our Harry, alone stage right, single spotlight, belting out "Memories." A Beelzebub perversion of something from *Jesus Christ, Superstar* as the great take-over of both The Times and Harold Evans follows, with much wild cat-dancing and cavorting against a giant rolling-press montage at stage rear. Finally, sinking through the trap into the flames, a powerful "Don't cry for me, Rupert Murdoch," to thunderous applause.

But what does it all mean? That life at or near the top is rough and tough, and that in Fleet Street it can also be nasty? That is not news. That Rupert Murdoch is an international entrepreneur - buccaneer with no softness and an apparently infinite capacity for ruthlessness? That is not news, either. By recounting it, Harry Evans may in fact have achieved the very opposite of what he presumably intended: the public always has a sneaking sympathy for Mephistopholes; for most readers, the true hero of *Paradise Lost* is Satan. The Rupert Murdoch presented in this book is not representative of the best or the most noble of human characteristics, but he, and the News International conglomerate he has built up, do represent power and success, which are widely—if not openly—admired.

Of course the Bad of the title must be resisted; the Good must in the end prevail. If we put down the book and let subside the feelings of tittle-tattle interest about how badly Charles Douglas-Home is reported to have behaved, or about how poor old so-and-so was fired at a moment's notice, it is these greater abstracts that must be pondered. The Government was wrong not to refer the Murdoch takeover of Times Newspapers to the Monopolies Commission, since no Press Baron should have a hold over so great a proportion of a single country's newspaper readers. It was particularly wrong in the case of News International, which is becoming a global "information" (entertainment?) peddler of dubious social purpose.

One of the foundations of Western democracy is the notion that a free and varied press enables the public to acquire the information it needs in order to vote Governments in and out, or, more mundanely, to make the pressure of public opinion on particular issues heard, felt, and perhaps even acted upon. It is difficult enough to defend the British press against the charge that the non-Conservative opposition is hopelessly outnumbered and the Left virtually smothered. Allowing an apparent friend of the Prime Minister such a free hand as has been given to Rupert Murdoch makes the defence almost impossible. His own contemptuous treatment of his editors, including Harold Evans, has diminished the independence, and therefore the stature of The Times. A piece of the mechanism of our democracy has been snaffled away.

It should be replaced. One way of achieving this would be to undo the error of failing to refer the case to the Monopolies Commission in the first place. What is required is a law restricting the extent to which a single company can control the British daily/Sunday national press: perhaps a fifth or a quarter of the total readership should be the rough limit. Anything more, and the company should be obliged to divest itself of one of its titles. If the sad story of Harry Evans' fall contributes to this debate it will have been worthwhile. We may chuckle at the devilish account, but we all know in our hearts that Old Nick should not be allowed to get away with it in the end.

● A long, detailed history of The Times has just been published by Michael Joseph. The Story of the Times, by Oliver Woods and James Bishop, starts with the first copy of the Daily Universal Register in 1785, and ends with eight pages on the sale by Thomsons to Murdoch. It is 392 pages for £14.95, and perhaps worth it if you want something to look up.

Shirley MacLaine in search of herself

Shirley's voices

BY RACHEL BILLINGTON

Out on a Limb
by Shirley MacLaine. Elm Tree Books, £8.95. 372 pages

We are given proper warning on page five: "This book is about a quest for my self" (notice the separation of the word)... "I tried to keep an open mind as I went because I found myself gently but firmly exposed to dimensions of time and space heretofore for me, belonging in science fiction or what I would describe as the occult." In other words this world famous star, this piece of Hollywood folklore, this comedienne, this dancer, this five times nominated Academy Award not quite winner, this China-lover (perhaps there's a clue here?) is going to show us how she learnt to believe in reincarnation (a quiet start), U.F.O.s and extra-terrestrial beings—personified in this instance by a girl called Mayan. It is the sort of journey that many would go some way to avoid.

Yet the book is not unreadable. At least for the first two-thirds, and after that one is curious to know just how far human credulity can be stretched. The appeal is not due to the life-enhancing conversations with Ms MacLaine's medium, Kevin, nor to the radiant sulphur baths on the high Andes with her mentor, David. These provide most enjoyment, one can't help feeling, for the participants. But woven into the story of self-fulfilment, is another tale, subsidiary but more convincing, about Ms MacLaine's unhappy love-affair with a British Labour politician.

This minister, in my view easily identifiable (although I will, of course follow his lover's example and call him Gerry), is as strongly British Middle-class Intellectual as our heroine is American Californian Free-style. He is married to a formidable wife and has teenage children. He does, however, make trips to conferences around the world to which Ms MacLaine, being rich and independent, can follow him.

Their meetings, therefore, take place against a backdrop of snow in Sweden, or sun and sea in Hawaii, and hotel bedrooms everywhere. This gives an unreality to their relationship which is paralleled by Ms MacLaine's experiments with the occult. At the same time, just as she reports strange coincidences and voices from another world with an almost naive accuracy and honesty, she spares no detail of her lover's response to her total love. In short, no go—beyond hotel bedrooms. Which will be no surprise to any British middle-class intellectual reader.

The surprise comes with Shirley MacLaine's reaction. Instead of feeling, quite naturally, used, misused, abused, she takes the line that he is the loser, unable to jump out of the "black hole" of marriage. His pleas of political responsibility, his life's work you might say, are simply brushed aside.

After all, Shirley MacLaine is about to start a different kind of political trail in which she moves "from the reality of Karmic cosmic justice to the existence of extra-terrestrial spirituality." What price the National Health Service there! The inference from all this is that this very talented individual lady took up with the extra-terrestrial world to console herself for man's deficiencies (with specific reference to British politicians). This theory would infuriate her.

But the important moment in her "conversion" comes when one of her mediums reveals that she and Gerry were married in another age. From there it's a short step to the Huaytapallana Ice Peaks and unexplained shining lights. The occult has often been tapped as a source of consolation after the death of a loved one. Here it makes an excellent substitute for another sort of "dear departed."

Fiction

Golden crash

BY NICHOLAS BEST

Eldorado
by Michael Pye. Hutchinson, £8.95. 392 pages

The Lost Flying Boat
by Alan Sillitoe. Granada, £8.95 287 pages

Dandiprat's Days
by David Thomson. Dent, £8.50. 185 pages

Praisesong for the Widow
by Paule Marshall. Virago, £8.95. 256 pages

Take a rich Dutch financier with a penchant for torturing kittens to death. Add an incestuous affair with his sister, a beautiful Hollywood film-star. Throw in Nazis, the Mafia, drug-smuggling, property development in the City of London, a takeover battle in New York, helicopter gunships in South America and a financial collapse that brings the tanks out on to 5th Avenue. Season with much of the gold in the Bank of England and you ought to have the ingredients for the biggest best-seller of all time.

The proof, of course, is in the pudding, and if Michael Pye's first novel *Eldorado* seems a trifle over-egged, it is because he is never quite sure what kind of book he is trying to write. This is partly a family saga, the story of Pieter van Helding and his marriage into a Jewish family of French bankers who look upon the Rothschilds as upstarts. But it is also part sex-novel, part gangster, part high finance—a sort of modern day life of the Borgias in fact, and just as confusing.

From helicopters in Eldorado to a flying-boat in the Kerguelen Islands which, as any Biggles fan will know, are in the South Indian Ocean thousands of miles from anywhere. It is no accident that the narrator of Alan Sillitoe's *The Lost Flying Boat* acknowledges a debt to Biggles, for this tale of restless ex-servicemen seeking Nazi gold just after the war is pure W. E. Johns — and very good it is too.

One almost expects the dreadful Von Stahlein to pop up somewhere, though in fact it is a former Argentine minesweeper that provides the opposition as the two sides slug it out in search of riches and excitement. The flying boat reaches the gold first, but the victory is Pyrrhic as one by one the crew lose their lives — suicide, drowning, aerial combat — until only the narrator survives in a dinghy to tell the tale.

A dated plot, old-fashioned in every way. But Alan Sillitoe was in the RAF and knows his stuff; and there is a certain magic about flying-boats that is impossible to resist. Biggles purists will note that the only thing missing is a couple of cannibal arrows thudding into the fuselage as the old kite takes off over the minefield. In every other respect this adult adventure story knocks the likes of Alastair Maclean into a cocked hat.

A hat features misleadingly on the cover of David Thomson's *Dandiprat's Days*. Misleadingly because a white-brimmed Panama, a champagne bottle and a pair of women's shoes do not prepare us adequately for 54-year-old Daniel Pratt, a bowler-hatted civil servant who at the beginning of the narrative has never slept with a woman in his life. He finally achieves the dirty deed with Virginia, a cheerful part-time prostitute who lets him read the Bible to her, but only after his love for a female dummy in Harrods' display window has been decisively rejected.

Dandiprat is mad. He spends much of his time locked *away* in a "Home from Home" in the care of Doctors Psex, Psyches and Phyz. His story, told in diary form, reveals an eccentric figure who wears cricket pads indoors to keep the cats away and has never been on a train in 20 years. He is an offbeat character in an offbeat, unusual novel. Harmless enough, as lunatics go, but not at all endearing.

Difficult to know what to make of Paule Marshall's *Praisesong for the Widow*, the story of a black American woman who jumps ship in the middle of a Caribbean cruise—for no particularly valid reason—and takes a trip to the ethnic island of Carriacou (currently in the news) in the company of a 90-year-old native she met on the beach. Paule Marshall is herself a black American and strongly influenced by Afro-Caribbean culture. She has a commanding knowledge of Creole patois, of the whole ethos of Caribbean life. Yet although her heroine shares the usual American obsession with identity, with potential Ibo or Mandingo ancestors, this is far from being the major theme of the book.

Poet's progress

A Stranger and Afraid: Autobiography of an Intellectual
by G. S. Fraser. Carcanet New Press, Manchester £8.95, 196 pages

For those interested in the development of a poetic talent and the gradual but still mysterious process by which a poet discovers himself, this early slice of autobiography by the late G. S. Fraser may well serve as a model. It begins with a lingering evocation of his Scottish boyhood, in Glasgow, Aberdeen and St Andrews, in the clear granitic sparkle of northern air and the warmth of a close-knit family, and ends with a brief cultural odyssey to South America in 1949 (in that short euphoric period of the postwar "New Elizabethans").

In between came an apprenticeship in journalism, and then the war—an event half-dreaded and half-welcomed—which he spent mostly in the Middle East, in Cairo and Asmara which proved a forcing-ground for his gift. His friends of that period remember him as perhaps the least kempt W.O.2 of the Middle East Command.

ERIK DE MAUNY

BASE LENDING RATES

A.B.N. Bank	9 %	Heritable & Gen. Trust	9 %
Allied Irish Bank	9 %	■ Hill Samuel §	9 %
Amro Bank	9 %	C. Hoare & Co. †	9 %
Henry Ansbacher	9 %	Hongkong & Shanghai	9 %
Arbuthnot Latham	9 %	Kingsnorth Trust Ltd.	10 %
Armco Trust Ltd.	9 %	Knowsley & Co. Ltd.	9½%
Associates Cap. Corp.	9½%	Lloyds Bank	9 %
Banco de Bilbao	9 %	Mallinhall Limited	9 %
Bank Hapoalim BM	9 %	Edward Manson & Co.	10 %
BCCI	9 %	Meghraj and Sons Ltd.	9 %
Bank of Ireland	9 %	Midland Bank	9 %
Bank Leumi (UK) plc	9 %	■ Morgan Grenfell	9 %
Bank of Cyprus	9 %	National Bk. of Kuwait	9 %
Bank of Scotland	9 %	National Girobank	9 %
Banque Belge Ltd.	9 %	National Westminster	9 %
Banque du Rhone	10 %	Norwich Gen. Tst.	9 %
Barclays Bank	9 %	R. Raphael & Sons	9 %
Beneficial Trust Ltd.	10 %	P. S. Refson & Co.	9 %
Bremar Holdings Ltd.	9 %	Roxburghe Guarantee	9½%
Brit. Bank of Mid. East	9 %	Royal Trust Co. Canada	9 %
■ Brown Shipley	9½%	Standard Chartered ‖	9 %
CL Bank Nederland	9 %	Trade Dev. Bank	9 %
Canada Perm't Trust	10 %	TCB	9 %
Castle Court Trust Ltd.	9½%	Trustee Savings Bank	9 %
Cayzer Ltd.	9 %	United Bank of Kuwait	9 %
Cedar Holdings	9 %	United Mizrahi Bank	9 %
■ Charterhouse Japhet	9 %	Volkskas Intnl. Ltd.	9 %
Choulartons	10½%	Westpac Banking Corp.	9 %
Citibank Savings ¶	10½%	Whiteaway Laidlaw	9½%
Clydesdale Bank	9 %	Williams & Glyn's	9 %
C. E. Coates	9½%	Wintrust Secs. Ltd.	9 %
Comm. Bk. of N. East	9 %	Yorkshire Bank	9 %
Consolidated Credits	9 %		
Co-operative Bank *	9 %		
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Edward Manson & Co.	10 %		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		
■ Hambros Bank	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 5.75%. Short-term £8,000/12 months 8.1%.
† 7-day deposits on sums of under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.
‼ Money Market Cheque Account—8.80%. Effective annual rate—9.16%.

3

One man and his clothes

JOHN STEPHENSON, design and marketing director of Habitat/Mothercare, vice-chairman of Conran Associates, spends his whole working life in areas where looks and appearance count for almost everything. So you might think that decisions about how to present himself to the world each day would weigh heavily upon his mind. Not at all. He seems to have sorted out the way he wanted to look years ago and now, *apart from actually having to go and buy the* stuff occasionally, it has become largely a matter of routine.

"I think that men like to develop a pattern of dressing that they're comfortable with, they don't want to have to agonise over what to wear each morning. Finding a style or a shop that suits one is rather like finding a restaurant that you like and feel easy with and then you keep on going back.

"I really only need clothes for three different sorts of occasions," he says. "I need the dressed-up, smart look for going to visit people in the City or going out to lunch and for these occasions I would always wear a suit.

"Then for the rest of my working life I don't normally wear a suit. I do remember *turning up to my first meeting* at Mothercare in a leather trucker's jacket and well-worn denims and there was quite an atmosphere—nobody had ever appeared in Mothercare in anything other than a suit before. I'm not a late-day person. I hate dressing up in the evening and only get into a dinner jacket if absolutely forced, which is almost never. Normally I'd just bath and change into another suit if it's that sort of an evening or wear an open-necked casual shirt and trousers if it's another sort of evening.

"For casual clothes I very often go to New Man. I like the way everything co-ordinates and the fact that what you buy one season works with things from the next season's range. If I'm running short of that sort of thing my wife will often go to New Man, pick up a large bundle of clothes on appro and then I'll try them on and choose at home.

"I buy V-necked cashmere sweaters wherever they're cheapest but I go through them fast. Now that we live in Fulham I tend after a good lunch at Meridiana on a Saturday to go into Piero de Monzi in the Fulham Road and he *always has lovely, simple understated Italian* clothes.

"I buy suits from him from time to time, as well as ties and shirts. Otherwise my shirts come from Turnbull and Asser or Hawes and Curtis. I have this fondness for button-down shirts—they travel well, the collar always looks good and seems to need less fussing about with *than ordinary collars. I don't like cufflinks—I* hardly seem to have time to do up two buttons in the morning, let alone fiddle with cufflinks.

"I wear Gucci shoes quite simply because I find them so comfortable, and they do last, though I get constant criticism from my chairman for wearing shoes with all those jingly, jangly things on them. Medway I find very good for cheaper shoes.

"For a coat I wear a Burberry or, if very cold, a sheepskin.

"*Looking at Saint Laurent Rive Gauche men's* collection after a gap of some 10 years, I am reminded yet again how excellent they are. They have that relaxed, simple, timeless air that appeals to me. Also, I'm not always easy to fit as I have very long arms but I find that I can walk into his clothes—just the hems of the trousers need adjusting. If I were really in a hurry and needed some clothes fast, I know I could walk in there and come out with a suit that would feel marvellous and would suit my way of life in about 10 minutes flat. Also it would go on looking marvellous for years.

"The shop does what all the best shops do—it presents a collection edited down to a manageable size. 'Edit and present the best' is what I'm always telling my staff to do. That's what Saint Laurent's men's shop does."

Out of the current Saint Laurent collection John Stephenson chose a single-breasted classic city suit in a light (11 oz) wool cloth of navy-blue with fine white stripe. At £400 he thought it very good value for money. Suits in the shop start at £235 for a tweed version, gaberdine ones start at £262 and grey flannel *at £293.*

He also particularly liked the collection of *feather-light* cashmere jackets ("If it weren't for the fact that I know I'd go through the elbows in no-time, I'd buy one of those," he said.)

Saint Laurent Rive Gauch for men are at 73 New Bond Street, London W1 and, opening on *Monday, at 35 Brompton Road, London SW1.*

John Stephenson photographed in a brown and olive small check single-breasted cashmere jacket £354, the olive wool polo neck sweater, £41 and the tan cotton corduroy trousers, £56. All from St Laurent Rive Gauche man's shops.

Christmas and food seem to go together like Sloane Rangers and pearls but not everybody's corner shop can provide everything that the ardent cook requires. So for all those who are looking for something rather splendid, or maybe something just a little different, to adorn the groaning side-board, here are some out-of-the-ordinary providers of Christmas fare.

The good fare guide

THE NATIONAL TRUST, PO Box 101, Melksham, Wiltshire (Tel 0225 705676)

Winningly packaged eatables from this charity include Christmas pudding, traditionally cannonball shaped, voted ITV's pudding of the year in 1982, £6.02 for 2lb 3oz; old-fashioned Christmas cake, rich and fruity, £7.02 for 2½lb; elegant pottery jars of lemon marmalade £7.62 for 113g and anchovy relish £7.62 for 90g; and lilac-boxed column of bittermints handmade by Linden Lady Chocolates, £3.46 for 8oz. All prices include postage and packing.

ELISABETH THE CHEF, St Mary's Road, Leamington Spa, Warwickshire (Tel 0926 311531)

Well known for its excellent tinned cakes, selling by mail the year round, there are some seasonal additions. Traditional Christmas cake, available in different sizes, iced and inscribed to order from £7 to £18; Christmas pudding from £4.25 to £6.68; stollen, a fermented German loaf cake £5.05; tins of shortbread with walnuts with split almonds, known as "nutteroons" £5.11; and, ideal for people on their own, a gift pack made up of Christmas pudding, cake, shortbread and half a dozen mince pies £12.82. Prices include postage and packing.

PINNEYS SMOKEHOUSES, Brydekirk, Annan, Dumfriesshire (Tel Ecclefechan (05763) 401/2)

What was originally a cottage industry specialising in smoked salmon—"an art not a science"—has in seven years become the largest salmon smokery in Scotland shipping its "best Scotch" all over the world. Traditional methods used—"nothing but salt, sugar and oakwood smoke"—have won it many loyal customers over the years.

Special Christmas gift packs include ½ lb sliced pack Scotch smoked salmon £6.50; 1 lb sliced pack £12.50; 2 lb pre-sliced side £21 and Pinneys Christmas hamper (including 1½ lb pre-sliced side Scotch smoked salmon, 4 smoked rainbow trout, two 1 lb packs smoked salmon cocktail cuts, one 5 lb Stilton cheese) £49. These are all despatched by first class letter post.

THE SMOKEHOUSE SHOP, Achiltibuie, Rosshire, Scotland (Tel 085-482 353)

If smoked delicacies are your weakness—Highland cured ham, smoked venison sausage, pates, smoked chicken, smoked salmon in season—this is your heaven.

THE GARVIN HONEY COMPANY, 158 Twickenham Road, Isleworth, Middlesex (Tel 01-560 7171)

Honey addicts could do no better than this mail order company which gathers sweet nectar from all over the world. There's a gift pack of 12 1 lb jars, each one a different flavour. £10.95 inclusive. Some of the names to make the mouth water include Hungarian Acacia, Mexican Grange Blossom, and *Eucalyptus*. Also available by the bucket, Garvins supplies honey in plastic pails from about £10.47 for 14 lb size.

ART FOR EATING, 43 Felsham Road, Putney, London SW15 (Tel 01-788 3934)

Those who head for the witty and unusual in their food will find these hand-made cakes—rich, fruity, laced in brandy and sugared in marzipan and fondant icing—to their taste. For the festive season there is a Christmas cracker-shaped cake which comes in a gold presentation musical box playing, appropriately enough, "Jingle Bells" or "White Christmas." There is also a Yule log, similarly wrapped. £19.95 plus £4.50 personal delivery in the Greater London area or £8.50 for delivery by courier anywhere else in UK.

TELEFRUIT, 1103 Finchley Road, Temple Fortune, London NW11 (Tel 01-458 7211)

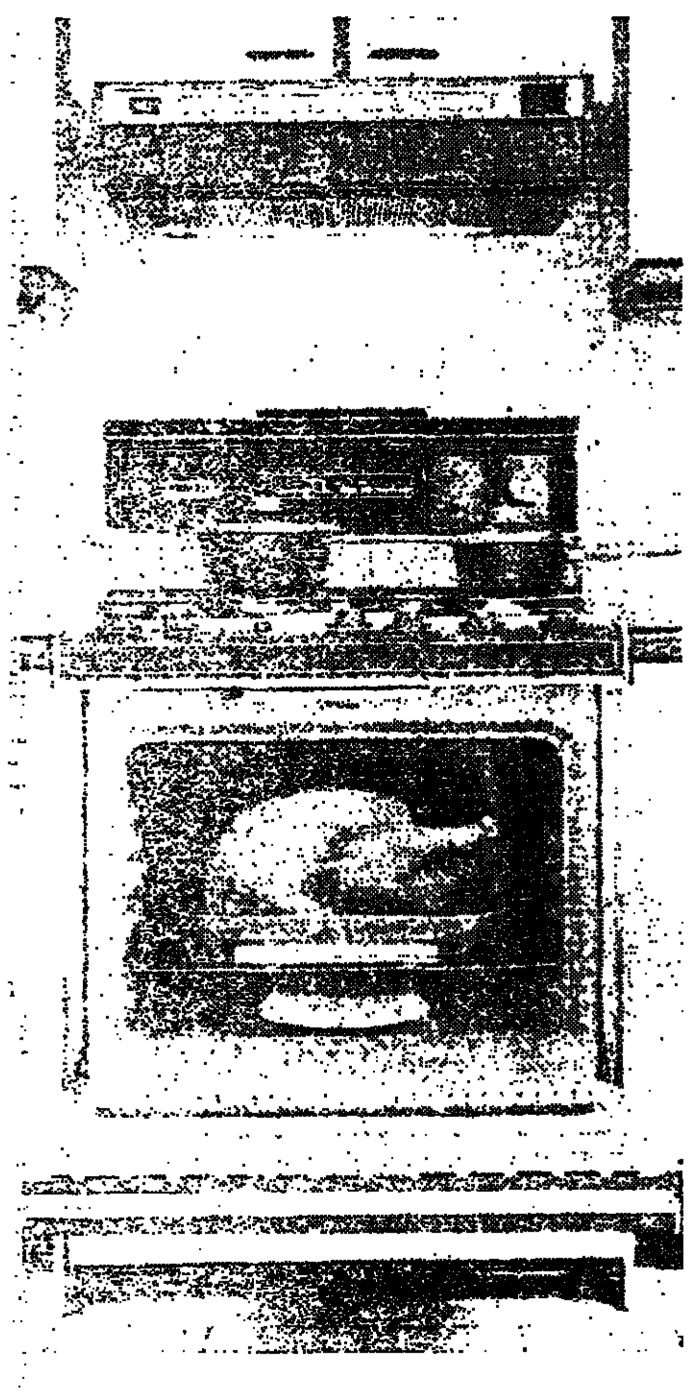
A wonderfully inspired idea for fruit lovers, weight watchers and hunters of original ideas. This company specialises in lavish fruit baskets of both seasonal and exotic fruits presented in a perspex bubble covered basket. Not just any old apples and pears, this fruit load can include such rare flavours as pomelo, mango, guava, prickly pear, papaya, persimmon and passion fruit. Prices range from £11.95 to £60 inclusive of delivery in the London area. To the provinces a pack costs £20.95 inclusive. Telephone your order.

PAXTON & WHITFIELD, 93 Jermyn Street, London SW1 (Tel 01-930 0250)

Best known for its cheese, you don't have to order these in giant sizes. You could buy just half a pound of special Blue Veined Stilton or you could order a whole Truckle of Cheddar Cheese (at about 10 lb each, these are £24.50 but would keep a family going for more than the Christmas period). A splendid present for a cheese-loving friend would be membership of the cheese club—every month three hand-picked cheeses (usually one soft, one rare and one better-known) arrive by post and with the pack comes a news letter and background information on the cheese. The first monthly remittance of £7.50 enrols the new member. Ring 01-928 5262 for cheese club details. If cheese isn't your thing, Paxton and Whitfield supply hams of Dickensian size, cooked or uncooked. Gammon, York, Phoenix or Suffolk.

Drawings by Pauline Rosenthal

Hot news in the kitchen



Above: Cannon's new combination gas and microwave cooker seen photographed while in use.

I SUPPOSE ever since the first simple camp-fire neighbours have been able to go one better by making their cooking arrangements increasingly sophisticated. Cannon has recently launched the most stunningly one-up of cookers that I've come across—a combination of a gas and microwave oven, all in the same casing. You convert one to the other simply by pressing a switch.

Having once experimented for several months with a microwave oven I came to the conclusion that though it had some very useful functions (principally the ability to defrost at speed, thus turning the freezer into an infinitely more useful adjunct for the disorganised or much-visited housewife), I decided not to give one permanent houseroom. I like my kitchen to look like a kitchen and not like a laboratory, no matter how efficient.

With Cannon's new combination cooker the problem of finding extra storage space for yet another gadget does not arise—the same cooker can be used as either an ordinary fan-operated gas cooker or as a microwave cooker or as both (in this way you get the speed of microwave cookery and the browning properties of the ordinary cooker).

The cooker itself is very streamlined to look at and its internal measurements are much more capacious than standard ovens, being more like those of the large range-like cookers (to be precise 14¼ ins high by 22¼ ins wide by 15¾ ins deep). The whole cooker is 48 in high, 30½ in wide and 27½ in deep.

This is the first time a cooker of this sort has been on the market in this country and mastering the way it works will take a little time and trouble but for anybody who has a space problem and wants the best of both worlds, this cooker could be the answer. It is going into British Gas showrooms now and costs about £1,200.

A good yarn

MOST people, by now, know that the revival in English knitwear is one of the great success *stories of the British fashion* industry. From San Francisco to Taiwan, the styles, the colours, the intricate patterns are copied by everybody from hand-knitters at home to giant factories turning out copies in their thousands.

Nonetheless anyone wanting to buy knitwear with individuality and style may not always be able to find it in the local shops. This is partly due to price and the fact that not every small town can support the sort of exclusive shop that *is the usual outlet for such* designs.

Penny Plain is the answer for those who have not yet found the designs they like in the shops they usually visit. Penny Plain is a group of enterprising designers who have got together to sell their output entirely by mail order except for the original small shop at 7 St Mary's Place, Newcastle upon Tyne.

When I first wrote about Penny Plain some two years ago, it had just a few charming designs to offer. Mainly in cotton or Shetland wool, the styles were fresh, wearable and, above all, inexpensive.

Since then Penny Plain has expanded and now it offers a full-colour mail order leaflet which features 30 different *designs ranging from the sweetly pretty to the strong* and dramatic. Prices are still on the whole very reasonable in that the cheapest of the sweaters, some simple striped Matelots, are £22.50 each, and the majority are somewhere *between £26 and £39. Most* expensive of all is the very striking jacket photographed here. In a combination of ruby red, black and grey, it is £59.50.

All the sweaters are individually knitted on machines, all are hand-finished.

Anybody wanting the leaflet should send a first-class stamp to Penny Plain, 7 St Mary's Place, Newcastle-upon-Tyne, Tyne and Wear.

Below: From the new Penny Plain collection, a splendidly dramatic and warm button-up jacket.

هكذا من الأهل

Radio nasties

Radio 4 celebrated Hallowe'en with a programme called *Children of the Night*, a survey of all that is most horrible in writing. You don't often hear a warning on that channel at 9.15 pm that what follows is liable to upset you. I try to avoid being upset by horror, terror and gross art (the three categories we heard about) by avoiding them if I think they're likely to upset me. Luckily I'm not a magistrate or an MP, so I can indulge myself only when I want to.

What upset me in this programme (which was, incidentally, the day's contribution to *Kaleidoscope*, Radio 4's only contribution to criticism) was the cold-blooded attitude of the horror-merchants. They are ready to explain why there is a fashion in literature and drama for the disgusting and repugnant, but ti doesn't occur to them that the fashion is one that is deleterious to society. Steven Cronenburg, writer whose speciality is the invention of gruesome assailments of the body, we were told, maintains that

RADIO

B. A. YOUNG

what we need in this sphere is confrontation, not escapism, that we're not trying to forget about the horrors of the current world but to meet them face to face.

I don't remember if he really said "need," but that was his argument. Yet if there is a valid need, why invent anything worse than we can already extract from life? Well, of course we all know why. The writers of horror books sell them by the tens of millions, movies like *The Exorcist* make their producers great fortunes.

As it happened, Radio 4 provided us on the same evening with a real confrontation that to my way of thinking was more of a wrench than the artificial horrors of the nasties, a play called *Thursday's Child*, by Margaret Simpson, dealing with a contested adoption of a little girl; and this was about things that are going on around us all the time.

The tale was simple: the Haywards want to adopt a daughter because they have a conscience about not increasing the world's population with another child of their own. In the other corner, Samantha as a baby was so badly injured by her father that she had to be put into care. The Haywards chose Samantha, but Samantha's mother wants her back. The play follows the case simultaneously from all sides—the Haywards, Samantha's family and, almost equally involved, the social workers whose observations will lead the judge to his decision.

It's not for me to make sociological judgments; but I found the play deeply moving, and it dealt with pressures better worth confronting than those of James Herbert's character who sawed a girl's head off and recoiled from the expression in her eyes as he did it. Roselind Shanks and Maggie McCarthy were Mrs Hayward and Samantha's mother, Gareth Armstrong the main social worker and Vanessa Whitburn the director. Repeated tomorrow at 2.30 pm.

Earlier that evening we had a short anthology, *Talk of the Devil*, of poems and prose from the Devil's point of view, edited by Brian Sibley, as beautifully read as these things almost always are. And in the previous Sunday's *The World This Weekend* there was an interview with an actual living witch. She sounded like a character from Merrily Harpur's cartoons in Punch.

Among the credits for the *Kaleidoscope* programme (which I ought to record was compiled by Peter Nicholls) was Valentine Dyall, identified for us as (The Man In Black), like that. And with that deep, lion's-purr voice, Mr Dyall knows just how to suggest horror without saying anything particularly horrible. The secret was disclosed in a fascinating programme, still on Radio 4, *The Voice*, last Saturday. The anchor-man was Robert Lloyd, whose voice was to be used in the service of Boris Godunov at Covent Garden the following Monday.

We heard Lord Soper and Enoch Powell and Kate Bush and Harry Secombe explaining how they made their voices do what they want them to do. Mr Powell (with one of the most convincing organs I know) said he put his voice into "automatic pilot." Miss Bush said she got a gravelly sound by eating masses of milk chocolate. Winston Churchill (nobody mentioned this) was said to practise with a stone on his tongue when he was young. A fascinating programme.

On Tuesday, the day allotted for all the saints who from their labours rest, Radio 4 gave us *Dem Bones*, where Miles Kington dealt with saints in the manner of his column in The Times, and Radio 3 gave us a splendid concert of choral music. Not for the first time, I was in favour of Radio 3.

Honest Ed's new look Old Vic

The legend of Lilian Baylis, who took on the Old Vic in 1912, has been invoked in the media's reaction to the theatre's latest owner, the Canadian entrepreneur "Honest Ed" Mirvish.

Renowned in Toronto for his discount store, his quick-service roast beef restaurant, the Mirvish village of cafés and rented accommodation for artists, as well as his successful operation of the Royal Alexandra Theatre, Mirvish is a dynamic, straightforward millionaire gnome who, quite simply, wanted to own the most famous theatre in the world.

Last year it seemed that ownership would fall to Andrew Lloyd Webber, who wanted the Old Vic as a forcing ground for new British musicals. On hasty advice from his Toronto lawyer, Mirvish despatched a sealed bid of £550,000 which just topped Lloyd Webber's and was accepted by the Governors. On realising that £1m was needed to refurbish and restore the fabric of the theatre, Mirvish, who prides himself on being a man of his word, promised the work would be done.

Doubts, however, were not dispelled among the London theatre community. Work started at the beginning of this year. The faintly dilapidated Regency theatre, a Grade II listed building, has been given a real and pleasing facelift—at a cost of £2m. The Queen Mother is booked for Tuesday night; the Press troop in on Wednesday.

But is Mirvish the new Baylis? Out of the Baylis Old Vic came the Vic-Wells ballet company formed under the direction of the late Ninette de Valois in 1931. When that company moved to Sadler's Wells, the Shakespearian programme initiated under Ben Greet's direction in 1915 (he produced the entire First Folio in the subsequent 10 years) bloomed under the successively distinguished aegises of Tyrone Guthrie (from 1937, the year of Baylis's death), George Devine, Glen Byam Shaw, Michael Benthall, Michael

Ed Mirvish: catch-all programme

Elliott. The Old Vic company was disbanded in 1963 and the newly founded National Theatre, under Laurence Olivier, moved in for a glorious 13 years until the South Bank fortress was ready.

Lilian Baylis was ferociously mean, somewhat intimidating,

Michael Coveney reports on trends in two leading London theatres

by all accounts, but she had an instinct for talent.

But, unlike Baylis, Mirvish is not an instigator, not a producer. He buys and sells. His cheerfully vulgar marketing campaign has resulted in a disappointing total of 6,500 subscribers.

In London, there may be too many other things going on for Mirvish to build a regular audience for what is, to be frank, a rather bland catch-all programme. He offers "six exciting shows" for as little as £10 (cheapest seats for Wednesday matinées) or a "1st class" deal at £49. For either price you can see the new Tim Rice and Stephen Oliver musical *Blondel*; Timothy West as Stalin in a new play; a Canadian *The Mikado*; a South African play; Albert Finney in John Arden's *Sergeant Musgrave's Dance*; and a revival of Sandy Wilson's *The Boyfriend*.

Five shows were offered for the price of four at the Haymarket last year. That didn't work, and the stars included Diana Rigg, Rex Harrison, Peter O'Toole and Leonard Rossiter. The producer for that Haymarket season, Duncan Weldon, knows Mirvish well and has "time for him for ever." But he thinks the subscription scheme is doomed. He is quick to add that if Ed Mirvish can't make the Old Vic work, nobody can.

Louis Benjamin, who runs the Stoll Moss group of theatres is proud of the fact that, last Saturday night, each and every one of his theatres—the four on Shaftesbury Avenue, the Her Majesty's, the Drury Lane, the Palladium—was full to capacity. He cannot remember such a night. But, along with most other West End theatre owners and producers, he welcomes "Honest Ed" because of the freshness of his marketing.

One of our most distinguished producers, however, Michael Codron, currently presenting West End productions of Tom Stoppard and Michael Frayn, warns that owning the Old Vic on Mirvish's terms is like owning a sugar cane factory with no access to the sugar.

Mirvish quite simply cannot make money, on his own admission, for about ten years. If a show's a hit, a producer may transfer it to another house. But impact, ie press coverage and word of mouth, may have exhausted the show's appeal by the time it transfers. His spokesman insist that he intends to make a profit eventually. One of Mirvish's many winning pronouncements is that nobody ever really "owns" a place like the Old Vic—he sees himself as a philanthropic custodian of a tradition and would genuinely like to see the place buzz without subsidy either from himself or anyone else.

The National—too close to Broadway?

Down the road at the National, Peter Hall is putting the finishing touches to his première of a new musical by Marvin (A Chorus Line) Hamlisch, Jean Seberg. Hall has no more initiated this show than Mirvish has initiated Blondel. The modern musical now lies in the sphere of big business, and the powers behind Jean Seberg are in fact the Shubert Brothers organisation, who struck a similar deal with Hall and the NT over Peter Shaffer's Amadeus.

It seems ironic that the National, supported by the British taxpayer, should be caught up in Broadway enterprise, while "Honest Ed" opens his doors with a genuinely native product. In the final analysis, all that really matters are the merits, or lack of them, of each musical.

But while the NT is justified in reviving a proven masterpiece like Guys and Dolls and is certainly serious about a new musical commission from Ken Campbell, Andy Andrews and Dave Hill (this team supplied a couple of marvellous shows some years back for the Nottingham Playhouse), all the defensive bluff and bluster about Hamlisch wanting Hall and therefore having to come to the National is hardly convincing.

If the National is serious about musicals, why are they not urgently pressing for British premières of the vastly superior (to Hamlisch) Stephen Sondheim works like Pacific Overtures or Follies?

Hall is an astute political operator who knows what is going on. Mirvish is an innocent abroad. His programme is no different from that which might be offered by such splendidly appointed regional houses as the Liverpool Empire, the Palace in Manchester, or the Theatre Royal, Nottingham. He may well find himself running a touring house too close to London; while Hall might be seen—and nobody knows for sure until the opening of Jean Seberg on November 15—running a London house too close to Broadway.

The durable pop star

If you are not aware that we are in the midst of world-wide celebrations for the silver jubilee in show business of Cliff Richard, thousands of people are, and they will be packing the Apollo Victoria for the next five and a half weeks.

They were, on Thursday, a delightfully attractive audience, young and old, fresh and sparkly, as happy with Cliff's sanitised hip rolls as he harks back to the Fifties as with the sentimental ballads of later years. They loved the show and gave themselves completely. I just wish the star had responded with a sight more enthusiasm.

Perhaps, inevitably, after all these years Cliff tends to take his audience and their reaction for granted. He is a curiously bland performer, keeping busy with toe touching and early rock poses to show off his remarkably youthful appearance rather than revealing anything of his personality. He sings sad songs like "We don't talk anymore" with absolutely no sympathy for the lyrics, and seems at his happiest with his early hits.

The best part of the show was his solo spot with guitar. When the professional but characterless band was on the scene, and the expensive production values at their most visible, Cliff Richard seemed to disappear into his reputation. But there is no denying the impact of the special effects—a laser show which would not shame the Planetarium and enough dry ice to mask any wrinkles. With over eighty hits to choose from, a Cliff Richard show must be full of good things—there were strong versions of "Miss you nights" and "Wired for sound"—but I expected more celebration from the star.

ANTONY THORNCROFT

Wolfgang Manz

Wolfgang Manz was 21 when he won second prize at the Leeds Piano Competition two years ago. A month later he made his London solo debut unprepared, standing in at short notice on the South Bank for an indisposed colleague. That was an impressive recital, in the circumstances especially, but of mixed quality: the best was very good indeed, but did not occur quite frequently enough to be decisive. It was a fair guess that his "official" debut would be more consistent.

That came at the Elizabeth Hall on Thursday evening: and first impressions, both positive and negative, were amplified and confirmed. Manz has wonderfully agile fingers, a lively musical intelligence, and plenty of youthful vigour. But he is inclined, I should guess, to fall back a little too easily on these natural gifts—and step aside from the music, as if once some crucial switch had been turned, or crucial stage achieved, it might almost play itself.

Most of the time it almost does, and superbly well. But this kind of approach has its give-aways, too, and its crucial weaknesses; the key moments of the music, its basic articulations and special character, are often weakly defined. Manz's challenging programme—Beethoven's op. 2 no. 3 followed by all 24 of Chopin's Etudes—offered much excitement; but by and large it was the excitement of quick fingers and unflagging vitality, rather than the interior excitements and mysteries of the works themselves, which took the centre of the stage.

His account of op. 2 no. 3 was admirably fluent, and intelligently made—but a shade facile, above all for that most sublime and unfacile of early Beethoven sonatas. He has, in a similar way, the notes of Chopin's Etudes enviably under his fingers: but he has some way to go before he can persuade us he has made any one of them identifiably his own. That may be too severe. There were exceptions—notably the F minor op. 10, delivered with exquisite speaking rubato and the C sharp minor of op. 25, eloquent and commanding. But the last Etude of the second set summed up the general style: magnificently sonorous as it was and the climax of the evening, its grandeur seemed essentially casual, without real presence or original stamp.

DOMINIC GILL

Plessey sponsors choral concert

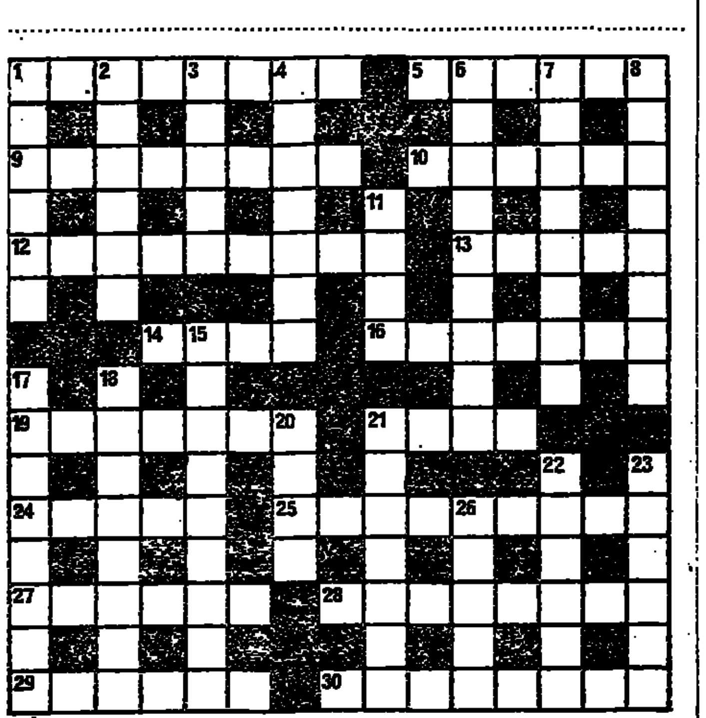
Mozart's Requiem and the first London performance of the Vespero de Morti by Vallotti are the highlights of a concert by the North-East London Polytechnic Chorus at St John's, Smith Square, tomorrow. The sponsor is Plessey.

F.T. CROSSWORD PUZZLE No. 5,261

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



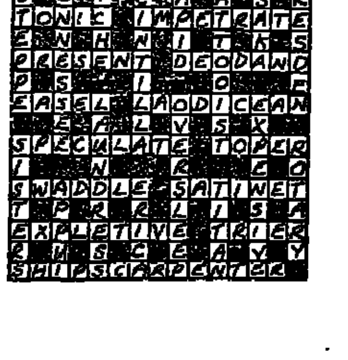
ACROSS

1 Slide to wet ground on horseback? (8)
5 Second thoughts on charity in the Bible? (6)
9 Appeal for agreement between East and North? (8)
10 Tenant gets a reduction, errors excepted (6)
12 Loving words first given for a time in a fruit tree (9)
13, 14 Instruction from Rome makes Father friend to beast (5, 4)
16 Cancel alteration to boy's hat (7)
19 Sergeant with happiness around in place of massacre (7)
21, 24 Let a crowd form—it isn't encouraging (4, 5)
25 Vocal series producing little money for a bike? (4, 5)
27 Strange yarn, it appears—what are letters coming to? (2-4)
28 Psychological vendetta's about right with Scotsman (8)
29 Pay, about ten pence—need change? (6)
30 More about a type that's incomplete, being part mammal, part reptile (8)

DOWN

1 Affectedly quaint, about fifty-five—less forty-three (6)
2, 3 Blue fly with another colour? (6-5)
4 Home of insect painfully thin all round? (3-4)
6 Good-night! Very good, without skin being raised (5, 4)
7 Endure after solemn call? (4, 4)
8, 11 It's easy to make Singhalese LP (8, 4)
15 A nice turn? Doubtful (9)
17 Meringue material, for example, with different weight (3-5)
18 Subsequent punctuation? (4, 4)
20, 21 Rent a castle, possibly, in the region of the City (4, 7)
22 Economise, namely, with margin on page (6)
23, 26 Maybe it's clay on pole I clean in tent (6, 5)

Solution to Puzzle No 5,260



† Indicates programme in black and white

BBC 1

8.35 am Inch High Private Eye.
9.00 Saturday Superstore.
12.12 pm Weather.
12.15 Grandstand including 12.45 News: Football Focus.
1.15 "Plymouth Adventure" starring Spencer Tracy, Gene Tierney, Van Johnson, Leo Genn.
2.55 Inside the Monaco Grand Prix, written and presented by Frank Bough.
3.45 Bonanza—The Unwanted.
4.35 Grandstand: Final Score.
5.05 News; Weather.
5.15 See Regional Variations.
5.20 Hi-De-Hi!
5.50 The Noel Edmonds Late Late Breakfast Show.
6.35 Blankety Blank.
7.10 Juliet Bravo.
8.00 The Paul Daniels Magic Show.
8.40 News and Sport: Weather.
8.55 Guns of the Magnificent Seven (1969 film).
10.35 Carrott's Lib.
11.15 Late Night Horror: "From Beyond the Grave" (1973 film) starring Peter Cushing, David Warner, Ian Carmichael, Diana Dors.
12.50 am-12.55 Weather.

REGIONAL VARIATIONS:
Wales—5.15-5.20 pm Sports News Wales. 12.50 am Weather.
Scotland—5.15-5.20 pm Scoreboard. 8.55-9.45 Remington Steele. 9.45-10.35 Sportscene, Football, Rugby.
England—5.15-5.20 pm London—Sport; South-West (Plymouth)—Spotlight Sport; Other English Southampton.
Regions—Sport/Regional News.

BBC 2

10.10-11.15 am Open University.
†3.20 pm "Song of Kong" (1934) film starring Robert Armstrong, Helen Mack.
4.20 Saturday Cinema "Come Blow Your Horn" (1962 film) starring Frank Sinatra and Lee J. Cobb.
6.10 Greek — Language and People.
6.35 Grand Slam.
7.00 News and Sport; Weather.
7.15 Shakespeare in Perspective. Julian Symons on Macbeth.
7.40 Entertainment USA—Jonathan King visits San Francisco.
8.10 Fly on the Wall.
8.40 Shakespeare: Macbeth.
11.10 News on 2; Weather.
11.15 "Un Moment d'Egarement" (1977 film) starring Jean-Pierre Marielle, Victor Lanoux, Christine Dejoux, Agnes Soral.
†12.30 am-1.30 The Twilight Zone, double-bill: "Judgment Night" starring Nehemiah Persoff; and "When the Sky Was Opened starring James Hutton, Rod Taylor.

LONDON

9.25 am LWT Information.
9.30 Sesame Street.
10.30 The Saturday Show.
12.15 pm World of Sport: 12.20 Motorcycling; 12.30 Speedway—tribute to Ole Olsen; 12.45 News; 12.50 On the Ball; 1.25 The ITV Four; 1.30 Sandown; 1.40 International Racing Round-up; 1.55 The ITV Four; 2.00 Sandown; 2.10 Boxing—Preview of World Middleweight Championship; 2.25 The ITV Four; 2.30 Sandown; 2.40 Grass Track Racing—Ace of Aces; 2.45 Figure Skating—Tuborg British Championships; 2.55 The ITV Four; 3.00 Sandown; 3.10 Figure Skating from Madison Square Garden, New York; 3.25 Acrobatics—World Cup from Cedar Rapids, Iowa; 3.45 Half-time Soccer Round-up; 4.00 Wrestling; 4.45 Results.
5.00 News.
5.05 CHiPs.
6.00 Game For a Laugh.
7.00 Russ Abbot's Madhouse.
7.30 Punchlines.
8.00 Hart to Hart.
9.00 News and Sport.
9.15 "The Mercenaries" (1968 film) starring Rod Taylor, Yvette Mimieux.
11.05 Pop Goes Guy Fawkes.
11.55 London News Headlines and After Midnight.
12.50 Bad Manners followed by Night Thoughts with Dr Rhodes Boyson.

CHANNEL 4

†2.05 pm "Napoleon" (1927 film) First Epoch. First TV screen of Abel Gance's epic 1927 silent masterpiece. (Concludes tomorrow at 1.40 pm).
5.10 Brookside.
6.00 Video Video.
7.00 News Headlines and Brigitte Bardot—My Own Story (3) Living A Happy Life. Final part of series.
8.10 "And God Created Woman" (1956 film). Notorious at the time for its sexual frankness, the film stars Brigitte Bardot co-starring Curt Jurgens, Jean-Louis Trintignant.
9.50 Fox (6). Kenny Fox is accidentally kidnapped by Rita and boyfriend Lee.
10.50 For 4 Tonight. Final edition.
11.25 The Worst of Hollywood: "The Wild Women of Wongo" (1958 film). High camp all-time classic that stars a stuffed alligator. Jean Hawkshaw, Johnny Walsh, Mary Ann Webb, and members of the Florida State Police Department in a stunning story of women's search for their ideal mates.

S4C (WALES)
2.30 pm The Amateur Naturalist. 3.00 The Tube. 4.30 Utopia Ltd. 4.55 Yr Awr Fawr. 5.55 Superted. 6.05 The Incredible Hulk. 7.00 Newyddion. 7.15 Dogfennau Dyfed. 7.45 Gwen Tomos. 8.35 Too C's and Tiems. 9.35 Y Maes Chwarae. 10.25 Who Dares, Wins a Week in Benidorm. 11.25 Feature Film: "The Front."

REGIONS

IBA regions as London except at the following times:

CENTRAL
9.25 am The Wonderful World of Professor Kitzel. 9.30 The Green Hornet. 9.55 Wattoo, Wattoo. 10.00 Terrahawks. 5.05 pm Knight Rider. 11.50 Kolchak: The Night Stalker.

SCOTTISH
9.25 am Storytime. 9.35 Stingray. 10.05 Happy Days. 5.05 pm Knight Rider. 11.50 Late Call. 11.55 Victims.

TSW
9.25 am Dick Tracy. 9.30 Boomtown Rats. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Metal Micky. 11.30 Little House on the Prairie. 11.45 The Pruitts of Southampton. 12.12 am TSW Regional News. 5.05 Newsport. 5.10 Knight Rider. 11.50 Superstar Profile. 12.15 am Postscript. 12.20 South West Weather and Shipping.

TVS
9.25 am Wattoo, Wattoo. 9.35 The Smurfs; Ivor Honeypot. 10.00 Terrahawks. 5.05 pm Diff'rent Strokes. 5.35 DJ. 11.50 The Oshima Gang—The making of Merry Christmas Mr Lawrence. 12.20 am Showcase. 12.35 Company.

YORKSHIRE
9.25 am Regional Weather followed by Melotoons. 9.35 Metal Mickey. 10.00 University Challenge. 5.05 pm Knight Rider. 11.50 City of Angels.

RADIO 1
6.00 am Mark Page. 8.00 Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm My Top 12 (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2
7.30 am David Jacobs (S). 8.02 Racing Bulletin. 9.30 Sounds of the 60s (S). 10.30 Album Time (S). 11.02 Sports Desk. 11.30 Everett Explodes (S). 1.00 pm The Grumbleweeds. 1.30 Sport on 2: Rugby League (2.15, 3.02, 4.55) Castleford v Hull; Rugby Union (2.30, 3.02, 4.55) London v New Zealand; Racing (2.50 from Doncaster; Football, 5.00 Sports Report and football results. 6.00 Country Greats in Concert. 7.00 Beat the Record. 7.30 A Night at the Opera (S). 8.10-8.30 Interval. The World of Opera. 9.30 Big Band Special (S). 10.00 Saturday Rendezvous (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 2.00-5.00 am Liz Allen (S).

RADIO 3
8.00 am News. 8.05 Aubade: Thomas, Haydn, Prokofiev (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release: Zelenka, Stenhammer, Rachmaninov (S). 11.30 Vienna Festival 1983. Vienna Philharmonic: Schubert, Strauss (S). 1.00 pm News. 1.05 Metropolitan (S). 2.00 Schumann Revised Mahler. Schumann's 3rd Symphony (S). 3.00 Clarinet Quintets (S). 3.50 Haydn and Mozart (S). 5.00 Jazz Record Requests (S). 5.45 Critics Forum. 6.35 The Organ Music of Olivier Messiaen (S). 7.35 Close Encounters with Kurt Godel. 7.55 BBC Philharmonic Orchestra: Haydn, Sibelius, Stravinsky (S). 9.00 Salammbo. Opera by Josef Matthias Hauer (S). 10.10 Another World Dhrupad (S). 11.15-11.18 News.

RADIO 4
7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's A Bargain. 7.55 Weather; Travel; Programmes. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.46 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From our own Correspondent. 12.00 News; Money Box. 12.27 pm Just A Minute (S). 12.55 Weather; Programmes. 1.00 News. 1.10 Any Questions? 1.55 Shipping. 2.00 News. 2.05 Afternoon Theatre. "I'd Rather Be a Hammer Than a Nail" (S). 2.50 Just the Job. The Hypnotherapist. 3.00 Medicine Now. 3.30 Worlds of Faith (S). 4.00 News; International Assignment. 4.30 Does He Take Sugar? 5.00 Wildlife. 5.25 Week Ending (S). 5.50 Shipping. 5.55 Weather; Travel; Programmes. 6.00 News; Sport Round-up. 6.25 Desert Island Discs. Shirley MacLaine (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday Night Theatre. Some Tame Gazelle (S). 9.45 Thoughts from a Fall Guy. 9.58 Weather. 10.00 News. 10.15 The Theology of Luther (S). 11.00 Lighten our Darkness. 11.15 Hot Air! 11.45 People and Places. Journalists. 12.00 News. 12.10 am Weather. 12.15 Shipping.

WORLD SERVICE
6.00 am Newsdesk. 7.00 World News. 7.09 News About Britain. 7.15 From the Weeklies. 7.30 Classical Record Review. 7.45 Network UK. 8.00 World News. 8.09 Reflections. 8.15 Flanders and Swann. 8.30 Quote, Unquote. 9.00 World News. 9.09 Review of the British Press. 9.15 The World Today. 9.30 Financial News 9.40 Look Ahead. 9.45 People and Politics. 10.15 What's New. 10.30 My Music. 11.00 World News. 11.09 News about Britain. 11.15 About Britain. 12.00 Radio Newsreel. 12.15 am Anything Goes. 12.45 Sports Roundup. 1.00 World News. 1.09 Commentary. 1.15 Network UK. 1.30 Detective. 2.00 From the Promenade Concerts. 2.30 Caught in the Act. 3.00 Radio Newsreel. 3.15 Saturday Special. 4.00 World News. 4.09 Commentary. 4.15 Saturday Special. 5.00 World News. 5.02 Saturday Special. 8.00 World News. 8.09 Commentary. 8.15 Good Books. 9.15 What's New. 9.30 People and Politics. 10.00 World News. 10.09 From Our Own Correspondent. 10.30 New Ideas. 10.40 Reflections. 10.45 Sports Roundup. 11.00 World News. 11.09 Commentary. 11.15 Letterbox. 11.30 Meridian. 12.00 World News. 12.09 am News about Britain. 12.15 Radio Newsreel. 12.30 Play of the Week. 1.30 Baker's Half Dozen. 2.00 World News. 2.09 Review of the British Press. 2.15 Short Story. 2.30 Sports Review. 3.00 World News. 3.09 News about Britain. 3.15 From Our Own Correspondent. 3.30 My Music. 4.00 Newsdesk. 4.30 The English Air. 5.45 Letter from America.

BBC RADIO LONDON
7.32 am Good Fishing. 8.04 London Today. 9.03 Inside London. 9.30 Corridors of Power. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 6.00 Guideline. 6.30 Evening Star. 7.30 Hold the Front Page. 8.00 Radio Replies. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-5.00 am Join Radio 2.

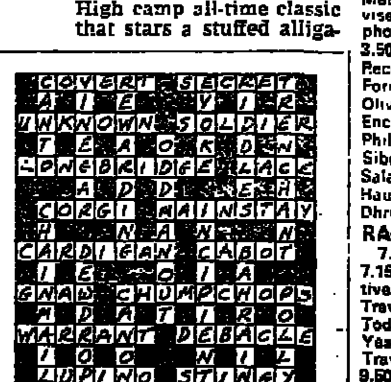
LBC
12.00 LBC Reports. Midnight. 12.30 am Decision Makers. 1.00 Night Extra with Mike Carson. 4.00 Hayes on Saturday. 7.00 AM with Jenny Lacey and Peter Deeley. 10.00 Jellybone with Clive Bull. 12.00 LBC Reports. 1.00 pm Sportswatch. 6.00 LBC Reports. 7.00 Gost Mala. 8.00 Network. 9.00 Hayes on Saturday. 10.00 Nightline.

SOLUTION AND WINNERS OF PUZZLE NO. 5,255

Mrs Flora May, Spratts, The Common, Cranleigh, Surrey.

Mr James Walters, 24 Cedar Grove, North Runcton, King's Lynn, Norfolk.

Mr A. B. Beesley, 76 Derwent Road, Wolverhampton WV6 9ES.



CHESS SOLUTIONS

Solution to Position No. 489

1 BxP! KxB; 2 R-Q7 ch, K-K1; 3 Q-B6, Q-N5 ch; 4 P-B3 and Black resigned because of Q-N7 ch; 5 K-Q3, Q-B8 ch; 6 K-B2, Q-K7 ch; 7 R-Q2 dis ch.

Solution to Problem No. 489

1 B-R8 (threat 2 Q-QR1 and 3 Q-N7 mate). If 1...KxB; 2 K-B7, N-K8 (else 3 Q-R1 mate); 3 Q-QR8 mate. If 1... N-K8; 2 Q-QR8, KxB (else 3 K-K7 mate); 3 K-B7 mate. The trap is 1 Q-Q1? P-B6! 2 QxP N-B5! when the knight stops mate.

هكذا من الأصل

Not all 1980 clarets can be dismissed

THERE IS a tendency nowadays prematurely to classify claret vintages as "good" or "bad," and they do not always turn out quite like that. No one put in a good word for 1968, although there were a few respectable wines at upper class level, such as Latour, Haut Brion, La Mission-Haut-Brion, Pétrus and Figeac, the only St-Emilion awarded *premier grand cru* status. The names may suggest that these were expensive wines, but who would jib at paying £12.75 for a half-a-dozen Haut Brion as I did in 1975. The wines generally lacked body and colour, but they were very amiable drinking for a few years thereafter.

On the other hand the 1969s, cracked up, heavily priced up, turned out very poorly indeed: meagre wines. The 1970s were undoubtedly "good" and so were the 1971s, although they were seriously over-priced in that boom-speculative period, and have not lasted as well as expected earlier. But in terms of value for money the 1972s were much more over-priced, and thank goodness, there has not been as bad a vintage since: hard, acid wines and the few relatively drinkable ones were insufficient to change the balance. One first-growth that I was offered to taste recently in Bordeaux shall be nameless, for it was not produced as more than interesting, and it lacked colour, body and fruit. Yet the vintage has had its supporters, as the acid, tannic did earlier.

The 1973s, which after a very fine summer might have been heralded as yet another "vintage of the century," were rained out just before and during the vintage; and anyhow no one wanted them in the mid-70s slump. In fact many have turned out far better than proclaimed, and there are still some very agreeable bottles about, albeit fairly high in the classed growth hierarchy.

Although the 1974s were made in cold, wet weather after a poor summer, four or five years later the view was commonly expressed in Bordeaux that they were superior to the still underrated 1973s. But I think not. This last summer I drank a number, including some first-growths that had come my way over the years, and they almost all showed as very closed-up, hard and uncharming wines. The best that I happened to have was Figeac, an acceptable glass of wine, and La Tour-Haut-Brion, the second wine of La Mission-Haut-Brion, was curiously better than its superior, for its earthiness gave more body and less tannin.

The next two years, 1975 and 1976, were definitely in the "good" category, although some doubts have been raised about the former, and the 1976s, while charming, have certainly less stamina than expected.

No champions may be expected for the thin 1977s, while in their different ways the 1978s and 1979s continue to develop well, the earlier year rather slowly, the latter perhaps rather quickly, but they are already attractive to drink, and are mostly still improving.

This brings us to the 1980s. Unfortunately a poor summer, combined with a widely circulated adverse forecast long before the picking began, gave these wines a bad name. Certainly they were on the light side, lacking in backbone, and in any case no one really wanted to buy another vintage after 1978 and the record 1979.

EDMUND PENNING-ROWSELL

However, in the last six months I have been agreeably surprised by a number of them. One has to be discriminating, and not expect much from the lesser growths, because only the wealthier estates could afford the expensive new anti-rot sprays that, to be effective, generally had to be applied four times over the growing season. So it is the classed-growths that came out best, as was shown in two tastings that I took part in September in the Bordeaux house of Duclot. This firm is the "left bank" subsidiary of the distinguished "right-bank" house of J. P. Moueix in Libourne.

The Bordeaux branch is largely concerned with the Médocs and Graves and usually lays on a fascinating, often blind, tasting, at this time of year. Altogether I sampled 23 of these 1980s, basically at classed-growth level, although Chasse-Spleen led off at the first tasting, and showed the fairly powerful, well-coloured but tannic wine that one expects from this top-class Moulis. In this group Figeac stood out for its typical, slightly smoky aroma and fruity, soft flavour. So did Léoville-Barton, with a lovely bouquet and black-currant flavour; and I have confirmed this since in London. Others that were good were Pavie, Duhart-Milon, Lafon-Rochet and Domaine de Chevalier, which was very attractive on the nose but a bit light. I cannot pretend to have found much to enjoy with Léoville-Poyferré, Durfort-Vivens or Pontet Canet.

In the second tasting I was particularly drawn to Palmer, for its good colour, fruity nose and real character. Another exceptional wine for the year is surely Grand-Puy Lacoste, very fruity with a fine bouquet. As might be expected, Ducru-Beaucaillou and Léoville-Las-Cases had real quality, and the pros preferred the latter for its bigger body. I had also tasted it in England and found it fuller than some. Others that showed very well included Pichon-Comtesse, Cos d'Estournel and Brane Cantenac.

The Pomerols and Graves are said to have been particularly good in 1980, but I have no recent experience of the former, though I did find the Graves Haut-Brion very attractive, and Fieuzal too. Issan in Margaux made a fair wine too.

These are not great wines, and are almost too forward at three years of age. But they are recommendable for those who have little in way of older vintages judged yet ready to drink. Also they would make an excellent introductory wine at a dinner to be followed by older vintages. Moreover they are not expensive for their class; except perhaps the first-growths that are in a different category.

Where to acquire them? This, I am afraid is not an easy question to answer at the moment. Wine merchants cannot afford to stock vintage after vintage, and with the '78s and '79s in their cellars, and '81s to follow, most will have given little or no space or money to the down-graded '80s. Laytons of Midland Road, N.W.1, have some of the first-growths, and also Figeac (£105.80 a case), which Averys of Bristol also have (£110.68). Corney and Barrow of Helmet Row, EC1, list some of those Pomerols that I have not recently tasted, including Trotanoy at £80, plus VAT, as well as Léoville-Las-Cases at £75 plus VAT. And Townsend of Coleshill, Amersham, have the latter at £94.08 including VAT and Cos d'Estournel at £86.40. One or two other merchants have them and some may be adding them to their forthcoming lists; they are worth inquiring about. It is not a "good" vintage, but with such wines as I have mentioned, and no doubt others, it cannot be written off as a "bad" one either.

Ackermann and the business of art

BY JUNE FIELD

RUDOLPH ACKERMANN (1764-1834), founding father of the house of Ackermann, leading dealers in British sporting art, now in London's Bond Street, was a great ideas man, a marketing expert and publicist well ahead of his time.

When he came to London via his native Leipzig and Paris where he was already known as a successful designer of carriages, he opened a gallery to sell water colours, portrait miniatures, artists' materials, fancy papers and other decorative items. He called it "The Repository of Arts," a name copied by many a provincial art establishment anxious to follow the London fashion.

His premises at 101, Strand was once the London home of the Dukes of Beaufort, and the young immigrant (he was naturalised in 1809), soon capitalised on the aristocratic connections. In *The Repository of Arts* magazine he called attention to "the noble and lofty apartments of the house . . . and a fine oak staircase of considerable dimensions (which) bear testimony to its former magnificence."

The magazine, which lasted for 20 years, was another useful medium for publicity. In addition to running a drawing school in the great reception room, by 1810 his principal business had become the publication and sale of drawing books with coloured plates (initially in monthly parts), plus topographical caricature, fashion, sporting and railway prints. Watercolour paints were manufactured and sold as well.

Rudolph also offered another innovation, a circulating library of prints, which again was copied in the provinces.

The idea of aiming the publications of his major topographical books at learned institutions such as Oxford and Cambridge was another master stroke, providing an intimate peep at the world of town and gown.

For *The History of the Colleges* he contacted the headmasters of Winchester, Eton, Westminster, Harrow, Charterhouse, Rugby, St Paul's, Merchant Taylor's, and Christ's Hospital.

For here was another ready-made market—the plates and texts of each school were bound separately, so that old boys could buy a book of their own school for prices between 10s 6d and 2 gns instead of the full book at 6 gns.

The story of this remarkable operation which eventually became Arthur Ackermann & Son, is told in an immensely readable account, *Ackermann 1783-1983—the business of art*, by John Ford, a director of the company. (It is the third title under the new Ackermann imprint, a subsidiary which has TV personality Bamber Gascoigne as chairman.)

Detail of Charterhouse School from the Playground features in John Ford's "Ackermann 1783-1983—the business of art"

With its listing of every known Ackermann publication, the book is an essential work of reference for the history of British art and illustration. For by 1890 Arthur Ackermann's principal business (run by Arthur, the son of Rudolph junior) was that of a picture dealer, specialising in the schools of English sporting paintings.

The last section of the book discloses how finally the Ackermann family withdrew from the business, and tells of the current directors as well as something of what the author admits is the mysterious world of the West End art dealer.

As he observes: "It is fair to say that in the art world the dealer is not universally beloved," and quotes a Royal Academician who wrote in 1903: "I heard a shrewd man, well acquainted with picture selling, remark that from experience, it took two horse dealers to make one picture dealer."

Much of what the author terms the market place is there, from 1926 when the gallery acquired for a client a work by the then unknown artist L. S. Lowry (paying £36 15s) to the background of the Paul Mellon Collection, greatest body of British works of art ever assembled by a private individual, to the extraordinary affair of the multi-millionaire collector Jack Dick, *cause célèbre* of the 1973-76 art auction world.

Complementing the publication was an evocative Bicentenary Exhibition at 3 Old Bond Street, W.1., which recreated the appearance of the original Repository of Arts based on the Pugin and Rowlandson aquatint of 1809.

Some of fthe works are still for sale. An 1806 aquatint of Nelson's funeral carriage (which Ackermann designed), is £75; an 1863 lithograph by and after Thomas Dutton, of The Yacht Gertrude is £1,250, with several aquatints of prize-winning racehorses around 1830, from £650.

These are all good quality prints, an important point, because sporting prints in particular were reprinted many times, often on poor paper.

Among the four and five-figure fine sporting paintings are J. F. Herring Sr.'s George IV's The Colonel, beaten in the 1828 Derby by Cadland, Francis Barlow's Portrait of a Merlin, smallest of all the hawks, and John Cordrey's 1812 canvas of The Royal Foregon, a baggage wagon that went ahead of the Royal Family.

Fred, Trev and cricket's 33 elite bowlers

The fastest of them all

CRICKET IS all things to all cricketers. South of Watford it is "the meadow game with the lovely name"; in the north we see it as a desperate battle-ground beside soot-caked smokestacks. But with notable exceptions, all cricketers are brothers under the skin.

It creates strange alliances. Trevor Bailey walked out to bat for Essex against Yorkshire at Leyton in the 1960s to face Fred Trueman's bowling. He didn't duck quickly enough from a Trueman bouncer and was hit on the back of the head.

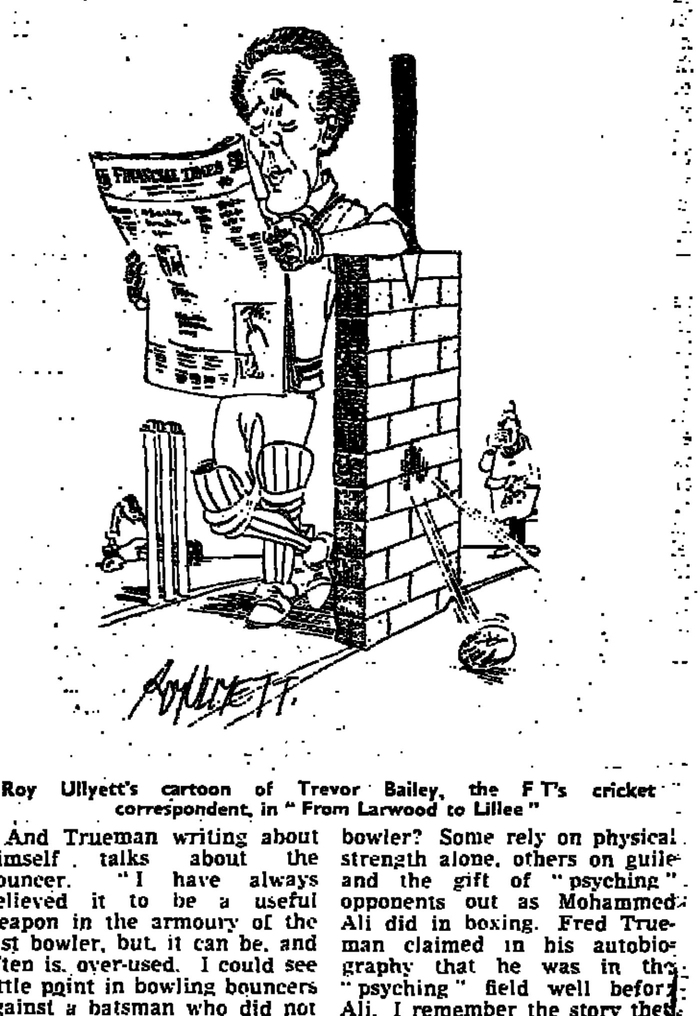
Bailey went down for what boxers call "a full count"—ensuring that there wouldn't be time for another over before lunch. It was long enough for Trueman to run up and say: "Sorry Trev, old son, there are many more I'd rather have hit than thee."

So friendship blossomed between Bailey, the Dulwich College and Cambridge University amateur and Trueman, the ex-miner pro from Yorkshire, and the result has been a sort of Morecambe and Wise relationship on BBC Radio's Test Match Special.

They have just collaborated on the definitive book about fast bowlers, *From Larwood to Lillee* (Queen Anne Press, £8.95), and I recommend it for any cricket fan's Christmas stocking.

A fast bowler firing on all cylinders is one of cricket's bravest and most beautiful sights. Who was the fastest of them all? Bailey says of Larwood, and the controversial 1932 bodyline tour of Australia: "It is not feasible to compare his speed with Holding's, Trueman's or Lillee's." But Bailey adds that George Duckworth, the great Lancashire wicket-keeper, said Larwood was the only bowler who caused him to stand 25 yards behind the wickets and still take balls above his head.

Of his friend, Trueman, Bailey says: "There have been few more stimulating sights than Fred Trueman on the war-path. He had everything: the beautiful run-up, side-on body action, and controlled follow-through . . . Enveloping him was the drama that comes when a great artist is on stage."



Roy Ullyett's cartoon of Trevor Bailey, the FT's cricket correspondent, in "From Larwood to Lillee"

And Trueman writing about himself talks about the bouncer. "I have always believed it to be a useful weapon in the armoury of the fast bowler, but it can be, and often is, over-used. I could see little point in bowling bouncers against a batsman who did not hook and was an expert ducker . . . The answer to nine, ten, jack, is surely a fast ball that hits them on the thigh if they fail to make contact followed by a yorker, leg stump."

The Bailey-Trueman book contains a lot of good advice to the aspiring fast bowler. It includes appreciations of "morning glories" like Frank Tyson—terrific pace, but little else, is Trueman's summing-up . . . And respect is shown for the aggression and intelligence of big Alec Bedser, who wasn't super-fast, but was so nearly so that he was a danger to all batsmen.

Trueman names Lillee as "fast bowling perfection . . . balance, rhythm and fire in the belly."

What makes a great fast bowler? Some rely on physical strength alone, others on guile and the gift of "psyching" opponents out as Mohammed Ali did in boxing. Fred Trueman claimed in his autobiography that he was in the "psyching" field well before Ali. I remember the story they tell in Yorkshire about Fred in his heyday visiting the opposing team's dressing room on the first morning of a match "just to check the first-aid kit, lads."

"He certainly wouldn't be allowed to get away with that if he'd played for Yorkshire," says Trueman.

● The 33 bowlers covered have all been seen in action or interviewed by Bailey or Trueman, who take it in turns to write about their subjects. The plan works successfully — for example, Bailey saw Larwood in his twilight in the late 1930s, and Trueman met him in Australia in 1958, and was asked a silly question: "Do you like a pint of beer?"

Alan Forrest

Soccer attacking formations

OF THE 14 First Division clubs I have seen this season, 13 have had one common factor. They all employed what had become the standard line-up in British football, a basic 4-4-2 formation, which helps to explain the lack of imagination and the functional predictability of so many League teams.

In these circumstances it is hard to understand why the England manager, Bobby Robson, should have relied on 4-3-3 against Denmark at Wembley, because most of his players were unaccustomed to it. As a result his midfield trio lost their way and the match, while his three front runners tended to bump into each other. For the triumph in Hungary, Bobby reverted to a fluid 4-4-2, which had Lee, Robson and Mabbutt foraging furiously in midfield with Hoddle floating elegantly ahead of them and positioned to feed off the two lead forwards—rather in the way Gates was used behind Mariner and Brazil for Ipswich. I believe that this team would not have lost to Denmark and that we would now be qualified for the final stages of the European Cup, instead of having to rely on hopes that the Danes lose in Greece.

Rather surprisingly, the one club of the 14 using a 4-3-3 system is Arsenal, because they were successful practitioners of 4-4-2 for so long, back in the early 70s. It would be nice to think that this change was part of a tactical plan to upset the opposition by posing different problems, but a more probable reason is their new, and very expensive signing from Scotland, Charlie Nicholas, who has looked unhappy, out of touch and not nearly as effective as Alan Sunderland, whose place he was expected to fill.

No club these days can afford to admit that a footballer who cost a fortune is proving an unwise investment. They hope that Charlie will soon regain his confidence, which is so vital for a goal scorer; also it is not unusual for a player, especially one who relies so much on service from his colleagues to take a while to become acclimatised to a new environment. But in the meantime the Gunners needed more punch in their attack. Their solution has been to play three forwards, Nicholas and Woodcock as a double spearhead with Sunderland lurking wide on the right wing.

Trevor Bailey

ART GALLERIES

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. DAVID DRYDEN and RAY CROOKE. Recent works by two Australian artists. Until 11 Nov. Mon.-Fri. 9.30-5.30; Thurs. until 7.

ALLANS GALLERY — HAND EMBROIDERED SILK PICTURES are an untapped source why not start a collection while prices are still below their true value? See the modern and antique Chinese Embroideries on the Lower Ground Floor of Allans Famous Silk Shop, 56 58 Duke Street, Grosvenor Square, W1. Mon.-Fri. 9-6. Sats. 9-1.

AGNEW GALLERY, 43, Old Bond St., W1. 01-629 6176. DAVID WYNNE—Sculpture. Until 18 Nov. Mon.-Fri. 9.30-5.30; Thurs until 7.

BANKSIDE GALLERY, 48, Hopton St., Blackfriars, London SE1 9JH. Tel: 01-928 7521. Autumn Exhibition of Contemporary prints by the Royal Society of Painter-Etchers and Engravers with La Jeune Gravure Contemporaine from France. 26 Oct-27 Nov. Tues-Sat. 10-5. Sun. 2-6. Closed Mons. Adm. 50p.

ART GALLERIES

BOB ELLIS—Carved wood sculpture and drawings at the Woodstock Gallery Ltd., 16 Woodstock St., London, W1. October 31st to November 12th, 1983.

BROMPTON GALLERY, 15, Brompton Arcade, Knightsbridge, SW3. 01-581 1078. WILLIAM CROZIER — Recent Paintings and Drawings. Until 19 Nov. Mon.-Fri. 10-6; Sats. 10-5.

BROWSE & DARBY, 19, Cork St., W1. 01-734 7984. PAUL MAZE (1887-1979).

LEGER, 13, Old Bond St. The English Conversation Piece. Mon.-Fri.

MAAS GALLERY JOHN WARD R.A. opens Tuesday 10 am. 15a, Clifford Street, New Bond Street, London, W1. 01-734 2302.

MORTON MORRIS & CO., 32, Bury St., SW1. 01-930 2825. LOAN EXHIBITION: EARLY ENGLISH DRAWINGS from THE ASHMOLEAN MUSEUM until 2 Dec.

PERSONAL

ANTIQUE DESKS . . . beautifully restored. Brochure from David Burkinshaw, 66, High Street, Lindfield, Sussex. Tel: 04 447 2826.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4, Telex: 8954871
Telephone: 01-248 8000

Saturday November 5 1983

Towards the one stop shop

THE BRITISH economy is continuing its stately turn from recession into some sort of growth, as the encouraging unemployment figures confirm; but the pace is so imperceptibly slow—*the statistical turning point was some two-and-a-half years ago*—that the process generates precious little financial excitement. Even the British industrialists surveyed every month by the CBI, who have in the past responded with apparent elation or despondency to every eddy in the economic current, seem stuck, like the philosopher in the story, with a glass which is half full or half empty, according to temparament. There is very little in all this for the punters.

Inside tips

However, the City is far from calm, because its own affairs are now generating every kind of rumour and excitement. Some developments are public—the rival bids for Eagle Star, the merger between RIT and Northern and Charterhouse Group. Some are semi-public, like the friendly but uncommitted conversations between the National Westminster Bank and the stockbrokers Grieveson Grant. But for every established fact, there are a dozen or a hundred inside tips, and quite a high proportion of them are likely to be founded in fact.

Every stockbroker of any repute is already beginning to agonise over a whole range of tentative wooers—many of whom are *no* doubt wooing in more than one parlour. British clearing banks and merchant banks, American commercial banks and investment houses and the established financial conglomerates are all involved. The other intermediaries—insurance companies, unit trusts, and no doubt building societies—cannot stand aside, even if they are not taking the major intiatives.

Declared aim

This may seem like an unrealistically over-eager response to the very slow and grudging change in the rules governing the stock market which have been tentatively agreed between the authorities and the Stock Exchange. The decared aim, after all, is to phase out fixed commissions over a number of years, while preserving single capacity (the rule which forbids brokers to run a wholesale business in stocks). On the face of it, this is not a signal for dramatic change.

However, events may well prove that it is the authorities and the Stock Exchange who are living in a dream world, in imagining that it is possible to make a hole in a very tall dyke, and then enlarge it slowly. Stockbrokers know that the days when they can live handsomely off the fixed commissions *charged to institutiona clients* are over. They must perforce either rediscover the skill of attracting a large list of personal clients, or ally themselves with some institution which can bring the customers in.

Large sums

If the change goes further, and single capacity is washed away in the flood, the brokers must also find some way to tap the very large sums of capital needed to float a full-scale investment house: and the provider, whether a major bank an insurance company or a conglomerate, will have his own corporate objectives and clients. Many brokers would then find themselves providing analysis and dealing expertise for a one-stop financial shop, rather than acting as independent professionals.

For the busy man with a small sum of capital, there is a lot to be said for one-stop financial shopping, providing banking, investment and insurance services. There is a lot of trouble involved in choosing a good broker, insurance broker, unit trust management, tax accountant, and so on—and then spending long evenings passing messages between them which could all be generated in the conglomerate computer.

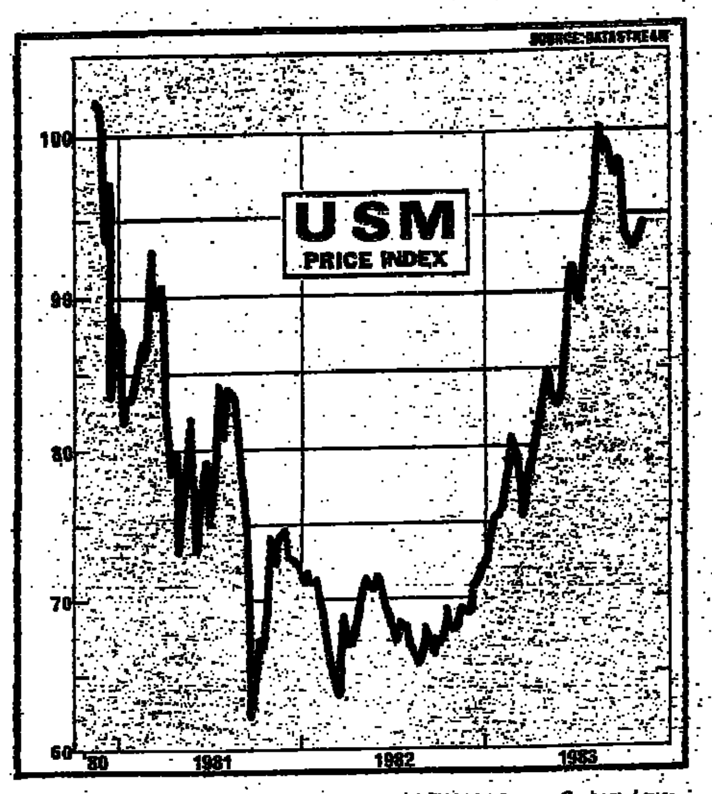
Conflicting interests

However, there are dangers, too. The one-stop shop, raising capital for a corporate client and investing money for personal clients, clearly serves conflicting interests, which is why the Government prefers single capacity. Competition in the fragmented British market is clear and fierce; in a world of conglomerates, it might be as fierce as the competition between the clearing banks. It is certainly not clear that the hallowed British system of self-regulation can be extended to a world of financial supermarkets, but there is no move to put anything in its place. And there may also be something questionable about clients suddenly finding that their long-term savings contract, their security for the future, has suddenly become a contract not with an insurance specialist but with a bank or even a brewer. In short, there are many issues here which ought to concern the Government just as keenly as it concerns the City gossips. It would be nice to see more sign of earnest study.

High risks, high rewards

By Dominic Lawson

Debbie Moore of Pineapple on the floor of the Stock Exchange the day her company went public on the USM.



Graham Lever

NEXT WEEK lists open for the sale of shares in Aspinall's, the Knightsbridge-based casino. Would-be investors are being asked to value the club at £60m, or £10m per gaming table.

If they respond as the company hopes, Mr John Aspinall and Sir James Goldsmith, who each have 40 per cent of the action, will have every reason to celebrate their company's debut on London's Unlisted Securities Market.

The USM meanwhile has its own reasons for celebrating next week. It will be three years old. Some stock market cynics regard it as highly symbolic that the anniversary share of the week should be a casino.

In some ways the metaphor is apt. The USM is renowned for the paper millionaires it has spawned, and the market itself is far more volatile and actively traded than the main market—about half the value of the entire USM has changed hands so far this year.

In addition, the thin markets characteristic of many of the smaller USM stocks have encouraged the tip sheets, and those who gamble on the tipsters' often spurious recommendations.

Yet the USM has developed into more than just a casino licensed by the Stock Exchange. It has brought hundreds of businesses into an environment where they can easily tap the City for funds to aid their development. So far, says the Stock Exchange, the USM has raised about £230m for such companies.

That, indeed, was a main reason why the USM was set up by the Stock Exchange. In part it was an attempt to form a regulated market for stocks that were traded outside the official Stock Exchange list, in part in response to the dearth of new quoted companies.

The Stock Exchange in essence made a deliberate attempt to attract the younger entrepreneurial businessman, by relaxing the rules of admission to what it feared was becoming a club too exclusive for its own comfort.

The USM's two most important innovations were that new members required only a three-year track record, rather than five in the case of fully listed stocks, and that the vendors needed to sell off no more than 10 per cent of the equity.

On the full market at least a quarter of the equity had to be in outside hands. This had proved a serious disincentive to a public quote in the eyes of chairmen of young companies who believed their companies—and hence share prices—were in for a period of rapid growth.

Starting with 11 companies, the USM has in its three years "grown far more than we could have anticipated" according to Mr Christopher Calloway of the SE's quotation committee. No less than 220 companies have sampled life on the USM. In the first nine months of the current year 63 companies have joined, which represents a much faster annual rate than in each of the first two years.

The USM is now approaching a market value of over £2.1bn. The actual availability of that stock is considerably restrained by the tendency of USM shares to be under tight control by the directors. Even so turnover in USM shares so far this year has reached £1bn, a level of activity proportionately far higher than that of the full market.

Mr Brian Winterflood, the managing director of Bisgood Bishop, the only jobbing firm to make a market in all USM stocks, says that in the case of

Every USM share certificate has a 'wealth warning'

some stocks "most of the action takes place in the first 20 minutes of the shares' life — after that it's just yesterday's share."

That picture is reminiscent of the birth of a star. But stars which burn out have a tendency to end up as black holes. Says Mr Winterflood. "We make a market in all USM stocks but I would say that about 30 per cent are dead as dodos."

He does not mean the companies concerned are in trouble, but that their stock has ceased to be traded or of interest to investors. No brokers write circulars about them, and the lack of research leaves an information vacuum from which speculators and share tipsters can benefit.

This lack of published information can have some disturbing consequences. IoTechnology is one of four USM companies which have ceased trading. Its 5p shares were suspended at 230p each—only 20p less than the issue price—the day before it went into receivership.

Paradoxically, the IoTechnology fiasco also served to illustrate the virility of the USM. In the early days, USM watchers felt that if a USM high tech stock were to go under, then the electrical-oriented junior market would collapse. But in fact, on the day that the Io receivership was announced, the other USM computer stocks did not even flinch.

The U.S. had come a long way from the autumn of 1981 when U.S. stock market guru Joe Granville came to London and in a radio interview cast doubts on the USM. Mr David Cohen, brokers Simon and Coates recalls: "The whole market just seemed to collapse. It turned into an unmarketable mess of shares."

Mr Cohen has brought 11 companies to the USM, which probably makes him the most prolific midwife in the City. But these are the tip of the iceberg. He points out "many companies approach us, and it's clear that even to meet them would be a waste of time." More worrying, Mr Cohen claims to see a number of companies from which his firm has steered clear, coming to the USM under the aegis of another broker. However, he argues, "out of around 200 stocks, you've got to have a few failures."

The Stock Exchange itself does a fair amount of weeding out, but it makes a policy of not publicising the rejects. At the same time the SE does not hide its view that the USM is a high risk, high reward market, and one in which the tag "caveat emptor" should never be forgotten.

Indeed the Stock Exchange insists that every USM share certificate carries a "wealth warning." In read capital letters it reads: "This security is not listed on the Stock Exchange, and the company has not been subjected to the same degree of regulation as a listed security."

Mr Winterflood argues that the USM has become less speculative: "But not so long ago there was hardly a USM share that was not tipped in one tip sheet or another." According to Winterflood, the readers of the sheets, the small investors, rarely gain, because all the jobbers subscribe to the investment letters, and will mark the tipped share price up first thing in the morning of publication.

Perhaps the classic USM success story is that of Oceonics, the marine electronics company which came to the market in February 1982, when the USM's reputation was by no means as established as it is now. The shares were placed at 130p and moved as high as 805p, and Oceonics financed a series of acquisitions of other marine electronics companies entirely with its USM equity. Says Oceonics finance director Richard Leslie. "We were able to use our quote as an effective weapon in a fragmented industry. I think we were the first to prove that USM paper is a valuable means of currency."

However, in August, Oceonics, approaching a market value of £90m, graduated to a Stock Exchange full listing. According to Mr Leslie, institutions have limits on the amount of unlisted stock they are allowed to hold. Oceonics was expanding so rapidly, that many institutions would have been compelled to sell some of their Oceonics stock to keep within their maximum exposure to unlisted shares (not more than 25 per cent, in the case of unit trusts).

Mr Ian Forsyth of the Britannia USM Unit Trust fund feels that institutions are taking any increasing proportion of the free equity of USM stocks. "I would guess that institutions hold at least three quarters of the free equity on the USM. For the private investor it is more of a new issue market, where the quick in and out profit is the object of the exercise."

For sellers, too, the market has been away to quick profits. One chairman of a USM company points out, "Lots of businessmen see the USM as a personal, get-rich-quick thing. And since USM shares are at least 30 per cent overvalued on the Stock Market, that is like getting rich without paying capital gains tax."

According to Mr Gerry McNamara, chairman of USM company A and G, "We came to

The USM has yet to be tested in a bear phase

the USM on a share price of 80p. The market liked us. I bided my time, and sold ½m of my shares at £2 each. That's real money."

Mr McNamara and his company may have done well out of the USM, but they are moving on. He explains: "When we came to the USM two years ago you could see what you were joining. It was a mix of industrial, oil and electrical companies. People who made things. Now its full of people with weird ideas. Designers, even dance studios. I'm going to join the main market," says Gerry, a down to earth Liverpudlian.

In fact oils and electricals still provide over 47 per cent of USM equity by value.

The dance studio Gerry McNamara referred to is, of course, Pineapple Dance Studio, which for many symbolises the new "anything goes" USM. Brokers and jobbers still talk with feeling, of the day that Debbie Moore, the glamorous chairwoman of Pineapple, walked the floor of the Stock Exchange. It was the first day of dealings and her share price almost doubled in 24 hours.

Ms Moore concedes that the USM float was "fantastic public relations." But she is not just in it for the PR. On Thursday Pineapple added, to the £50m that has so far been raised in rights issues on the USM as a whole, with a £1.5m share issue of its own, almost doubling its share capital. The money is to be used to finance the acquisition of a New York dance studio which, she says, would hardly have been possible without access to equity finance.

Gerry McNamara is less effusive about the merits of USM shares. "USM shares are volatile. If *my* profits were to fall 15 per cent—which they won't—then my shares would fall by 30 per cent. People know this. When I buy companies and I offer the vendors USM paper, they cringe."

The sometimes inflated value of USM paper has certainly made acquisition of unquoted companies a much harder game than it used to be. Kenneth Wade is the chairman of Pactoral Electronics, which has a full listing for its shares. "We have looked at 200 companies over the last two years. The USM has given people an inflated sense of their value. When we try and buy people out at a sensible price, they tell us they can get more on the USM in a couple of years.

"They confuse the value of the equity with the value of the business. My company is capitalised at about £8m. If anyone offered me £8m for my business I'd sell it."

To the extent that there are inflated values on the USM, the requirement that only 10 per cent of a stock's equity need be in public hands must be held partly responsible.

For example, Microgen, the first USM issue of 1983, came to the market with a float so small that broking firms were allotted only about 200 shares each. The price almost doubled on day one, in sharp obedience to the law of supply and demand. Microgen's prospectus, with considerable prescience, bore the legend "less is more."

Microgen is a popular stock. But in such a thin market investors would experience the sensation of falling out of a plane without a parachute if anything were to go wrong with a thinly traded USM stock.

The USM an untried market in that it has never existed during a bear phase. According to David Cohen of Simon and Coates, "a real bear market has not been seen in this country for seven years. There are people active in the USM who don't know what a bear market is. When it comes, that will be the crucial test for the USM."

One of the Stock Exchange's leading jobbers fears that there will be "lots of casualties on the USM" if a bear market begins to bite. But the USM has been the subject of a number of premature obituary notices before now. On its third birthday it has all the appearance of a lusty child with sufficient resources to face the perils of adolescence.

Letters to the Editor

No profit for building societies

From the Secretary-General, The Building Societies Association

Sir,—In his letter published on October 28 Mr E. H. Barnes argues that building societies have been offering higher rates to investors in order to attract more money for mortgages, and he then went on to say that this has meant higher interest rates for borrowers. In fact, this has not been the consequence, and societies have absorbed higher operating costs through reduced profit margins.

Mr Barnes is quite wrong to say that when interest rates are high building societies have bigger profits. What matters is not the level of interest rates but, rather, the difference between the rate paid to investors and that charged to borrowers. To suggest that building societies are "the most rapacious of profit-takers" is patently absurd.

Richard Weir.
34 Park Street W1.

Reasons for pains in the backside

From Mr P. J. Walker.

Sir,—I refer to your report in Men and Matters on November 2, about the agonising pain in the backside, affecting credit card holders which has now been diagnosed as resulting from these items being carried in hip pockets during the recent long hot summer. I am a credit card holder, but do not carry mine in my hip pocket. Nevertheless, I have suffered a pain in the backside since early June, which I put down entirely to the General Election result.

P. J. Walker.
3, Rushmoor Grove.
Backwell, Bristol.

Basic Medical care at home

From Mr E. Pickard

Sir,—With such dissatisfaction about GP's relief services in cities, we should consider not a code of practice for such services but a requirement that each practice should provide its patients with a 24-hour visiting service by its own field nurses and doctors — and then equip them with aids to make that feasible.

Fortunately, the technology is already available and increasingly cheap — a briefcase computer-link by cellular radio telephone to a data base of patients' notes, reference material, a printer for notes and prescriptions and even a route planning programme must be within reach of every practice.

Putting basic care into the home, and perhaps also offices and workplaces, rather than concentrating it upon "health" centres could provide a personal service equivalent to anything private medicine can provide, could eliminate inordinate queueing for brief consultations and would leave surgeries free for those whose treatment required such attendance or who preferred to see their doctors there.

With the tax allowances that are available, what are GP's waiting for?

E. Pickard.
North House, Eliot Vale,
Blackheath, London SE3.

Real and unreal tax charges

From Mr Angus Phaure

Sir,—In August and again last month in the wake of pronouncements from two eminent broking houses, Lex has written an article on whether the market should switch to considering "actual" tax charge earnings. It might be worth adding the following considerations to the pot:

(a) The tax provision in the P & L account is not an "actual" tax charge — it is a "stated" tax charge. The only amount "actually" paid over to the tax authorities is shown in the Source and Application of Funds Statement. If this were merely a semantic difference it would be unimportant. The importance arises because the proponents of the switch in usage to a stated tax charge say that stated tax earnings reflect reality much more closely than do theoretical 52 per cent earnings. Of this there can be no argument — but the stated tax charge is not the tax actually paid. Why then do not the proponents of stated earnings have the courage of their convictions, go the whole hog and urge the switch to Price: Cash Flow Ratios?

(b) The exhortation to switch to stated earnings is a bit simple because it assumes that those who for convenience quote 52 per cent multiples consider nothing but the 52 per cent multiple. This of course is patently not true because the thoughtful investor considers the whole financial profile of the entity he examines — its 52 per cent rating, its stated rating, its price: cash flow ratio, its yield, its cover, its balance sheet ratios, its market dominance, its potential/actual competition and hence its pricing freedom, its operational gearing, its gross margin gearing . . . and so on until he is satisfied that his money will be efficiently invested in it. It would be foolish to ignore one of the most obvious elements of financial analysis (viz that the tax provision whether 52 per cent or stated is not actually paid over to the tax man) and since fools and their money (or their reputations) are soon parted, fools do not last long in this game.

(c) The outcome of believing that one small element of a complete financial profile should assume importance over all others will of course lead inexorably to the mistake of thinking that simply by switching attention from one ratio to another ratio a company can be total revalued. Gosh, if only making money were that easy!

Angus Phaure.
Fielding Newson-Smith & Co,
Gerrard House,
31 Gresham Street,
London, EC2.

Communal benefits of fuel economy

From Mr P. S. Harris

Sir,—"The great waste of fuel must be apparent to the most cursory observer; and the uses to which fire is employed are so very extensive, and the expense for fuel makes so considerable an article in the list of necessaries that the importance of the subject cannot be denied. And with regard to the Economy of Fuel, it has this in particular to recommend it, that whatever is saved by an individual is at the same time a positive saving to the whole community."

Not the words of Mr Peter Walker (November 1) but Count Rumford in 1802. Mr Walker is not the first to be "staggered" at the potential for energy savings (September 14) and he will not be the last. What we all have to come to terms with is that there is a difference between what is technical potential and what is economically and practically achievable.

What Mr Walker seems to be offering us in his new campaign is little more than exhortation, admittedly a brand that in the energy scene we have not seen before.

But he must be careful not to send us chasing shadows. He has already had energy managers in a tizzy once. At the Tesco Energy and Management Awards Mr Walker staggered us by claiming that "with the application of the latest technology in the use of pumps and fans there could be industrial (sic) savings of £580m a year." He exhorted British Industry to "examine their efficiency in energy use vigorously and effectively."

Over eight years now industry has been doing just that under a succession of Government backed schemes (Industrial Energy Thrift Scheme, Energy Audit Scheme, Energy Survey Scheme), yet nowhere in these programmes have savings of this magnitude been identified.

What he seems to be referring to is the application of improved drives and the better matching of fixed speed electric motors to pumps, fans and compressors. The technical potential for savings in this area has been recognised for years. His own Department assessed it at just 1m tonnes coal equivalent (worth today about £100m) back in 1977. Progress in the technology in the last five years has altered that estimate but not so much that it is practical, or economic or appropriate to every pump, fan or compressor in the land.

Mr Walker's predecessors may have delegated energy conservation to junior ministers in the past but under Dr John Cunningham, John Moore and David Mellor it was in capable hands. They may not have made a lot of noise about it but they took time to ensure the savings being pursued were real. I think it would be a fair boast that the energy-saving programme conducted in industry in the UK so far is the most cost-effective and best-planned in Europe. It would be a pity to see that undone in an evangelistic crusade.

P. S. Harris.
Director of Services,
Energy Users Research Association,
P.O. Box 97,
Altrincham,
Cheshire.

Fiddling in the City

From Mr A. P. H. Herd

Sir,—The announcement last week by Trade and Industry spokesman, Mr Alex Fletcher, that the government is considering new moves to combat City fraud is indeed welcome, as effective measures against this particular form of crime would undoubtedly benefit all but the fraudsters themselves.

Decisive action sooner, rather than later, is required however if London is to maintain, let alone expand, the volume and variety of financial services. It has traditionally provided around the world to such good effect over a very long period of time.

I do not say this lightly as, while there is still considerable demand for the financial experience and skills which various City institutions offer, it must be remembered that London no longer enjoys a monopoly of such activities. There is also the very real danger that foreign governments, institutions and individuals could increasingly be enticed away from London if more positive action to thwart financial fraud is not initiated in the near future.

The constructive report which you published on January 25 of this year suggested that the British authorities were cautious about bringing fraud prosecutions because they are expensive—and paid for by taxes—and there was every likelihood that the alleged fraudster who could afford counsel might gain an acquittal.

The logical extension of such reasoning to other areoas of law-breaking is not something that I would care to contemplate and, as financial fraud is an extremely serious form of crime, I believe that it should be dealt with accordingly.

A. P. H. Herd,
2a, Strathmore Street,
Broughty Ferry, Dundee.

Special relationship

From Mr Frank S. Law

Sir,—Being abroad, Malcolm Rutherford's excellent assessment of the "special relationship" between the U.S. and the UK, only came into my possession yesterday.

Mr Rutherford has put very clearly that the "special relationship" has ceased to exist and that the UK, as a member of the European Community, now assumes a different role in world politics.

That role and our influence on world events can only be sustained and justified once we realise that our strength lies in our partnership in Europe.

A Europe which culturally has a unique place, a Europe which politically is united, has enormous potential power to influence.

If, because of its traditional "special relationship" with the U.S., the UK becomes the European spokesman in the dialogue between the U.S. and Europe, we serve our European partners well, and hopefully the world at large.

Frank S. Law,
61 Cadogan Square, S.W.1.

هكذا من الأصل

Storm over the Severn Bridge

A WEEK AGO, Mr Roy Hughes, a Labour MP, leaked part of the contents of a report on the safety of the Severn Bridge to Parliament. Soon after this to the Department of Transport moved to restrict traffic to just two of the four lanes on the bridge.

In their confidential report, Mott, Hay and Anderson, consulting engineers, said that, theoretically at least, enough traffic could pass onto the bridge in just three minutes for it to become dangerously near to collapse in certain conditions.

So is the Severn Bridge about to fall down? Freeman Fox, the firm which, with Mott Hay and Anderson, designed the bridge, insist that it is only doing the job it was designed to do.

"The only wind that is going to blow this bridge down is the bloody hot air that's been bandied about over the past few days" says Dr David Fisher, the firm's spokesman.

It is all a long way from the day in the mid-1950s when the government commissioned Freeman Fox, which had already worked on the design of the Forth Road bridge, to design a new structure to span the Severn.

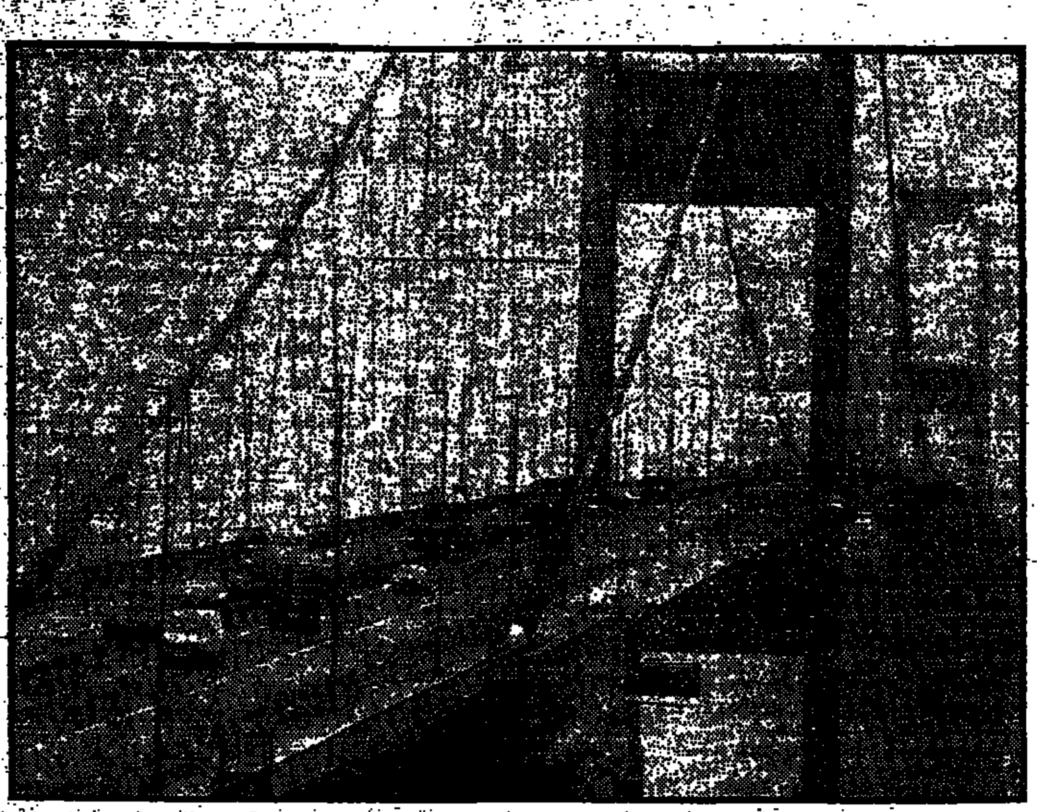
A scale model of the Severn bridge was meticulously put together and taken to the wind tunnels run by the National Physical Laboratory, now the National Maritime Institute, at Teddington just outside London. It should have been routine: tests had already been done on a Forth model.

Mr Denis Walshe, then a young researcher at the Laboratories, recalls that two of the senior Severn Bridge designers had arranged to visit the wind tunnels to watch an aerodynamic test on the model. It had been set up in one of the tunnels and just to check that everything was working properly, he set the wind in motion and gradually turned the speed to maximum.

What happened next radically changed the course of suspension bridge design. The model, which had obviously not been properly secured, lifted from its place and flew down the tunnel, smashing to pieces at the end.

The Forth Road Bridge was duly completed, crammed with some 18,000 tonnes of steel truss girder along its 3,300-ft span, in 1964 at a total cost of £20.5m.

But the destruction of the Severn model had allowed time for an idea loitering about the offices of Freeman Fox to be put into practice. Just how spectacular a departure from tradition the idea was, was evident to anyone at the opening of the Severn Bridge—just two years after its "sister" over the Forth but at a cost of just £12.5m and using only 11,000 tonnes of steel for a bridge just 60 ft shorter.


Ashley Ashwood

The designers had taken an idea used in the rebuilding of the Rhine bridges after the war—the steel box girder—and by shaping it rather like the leading edge of an aircraft wing.

Perhaps because the bridge did represent such a radical departure from the norm, and perhaps because it was then, and remains, the only suspension bridge commissioned and controlled by the Government, the Severn Bridge has never strayed far from the centre of controversy.

The first major row over the bridge flared during the early seventies after two box girder bridges, designed by Freeman Fox, collapsed during construction. Neither of these were suspension bridges and the technique survived its critics, largely because Freeman Fox persisted with it in suspension bridges (where the girder is not load bearing) over the Humber and the Bosphorus.

Troubled flared again last year when consulting engineers Flint and Neill were commissioned to make a largely routine check of the state of the Severn bridge. They told the Department of Transport, in a report which has since been made public, that they were concerned about the stability of the suspension cable anchorage points which allow the cables to flex, the strength of the towers, the "saddles" (the channels which carry the suspension cables at the top) and the hangers (the cables which take the load from the box girder deck to the suspension cables). About 50 wires in the hanger cables (which consist of 170 each) had snapped.

Most important, however, was Flint and Neill's contention that the build up of traffic using the bridge might be too much for the entire structure to support.

In a later report, Flint and Neill suggested strengthening the bridge at a cost of £33.2m but, as is practice among consulting engineers, commissioned two further reports, from consultants Mott Hay and Anderson and Husband & Company, to provide extra opinions.

The Mott Hay and Anderson report took the Flint and Neill criticisms much further.

In parliament Mr Hughes quoted a letter from MH &A to Flint and Neill. He said that it said MH & A were "particularly concerned about the hangers. In our judgment they are vulnerable to progressive failure under relatively short traffic jams if the weight of traffic exceeds about 700 tonnes over a length of about 200m of the bridge."

"We also share your concern about the towers and confirm that they are vulnerable to extreme wind conditions. In our opinion the unladen bridge may not survive a wind speed of 100 mph . . . we find that the towers are more seriously overstressed under the assessment loads than is concluded in (the Flint and Neill) report."

Mott Hay and Anderson was, in fact, the consulting engineer in charge of the overall design of the Severn Bridge and the Forth Road bridge. The design of the superstructure was Freeman Fox's in both cases, however, and MH and A worked on the foundations and anchorages, which they have not been required to reassess now. This task has fallen to Husband and Company, whose report has remained under wraps.

Whatever the arguments about the safety of the structure, independent observers, including Mr Walshe at the recently privatised NMI, agree that the Severn design, including the towers, was subjected to the most exhaustive wind tests.

The concern about freak loading also needs to be qualified. Firstly, the bridge is being judged by a far more stringent, some say overly stringent, British standard (BS5400) than the one (BS153) used in its design. Secondly, it is unlikely that the designers in the fifties could have foreseen the introduction of the 38 tonne truck on British roads.

Assuming the worst, it is possible that 18 38 tonne trucks could converge bumper to bumper on the same 200m of the span and come close to exceeding the limit set down by BS153.

Freeman Fox argues that the solution to loading problems on the bridge is not a £33m strengthening programme but the installation of automated traffic controls for around £100,000. The Bosphorus bridge, Dr Fisher points out, has 50 per cent more capacity than the Severn but typically carries three times the amount of traffic, whose entry on to the structure is controlled by a bridgemaster.

Designers in the U.S. and Canada, admittedly lacking the benefit of close inspection of the Severn, instinctively warn against overreaction to the warnings sounded by Flint and Niell and MH&A.

"Engineering is not science, it is an art," says Dr Tang Man Chung, a New York based engineer who designed a number of post war crossings in Germany. "I think you can always find something with which you don't agree."

Mr Peter Buckland, a Briton now running a design partnership in Vancouver, says "I don't think any one of the major suspension bridges built more than five years ago would measure up to modern standards, but that's no reason to rush out, wave your arms about and stop the traffic."

A Florida-based designer noted wryly that he could probably condemn any bridge, ever built, anywhere.

Despite all this, the MH&A report is unlikely to go away. The criticisms of the Severn bridge are very serious and carry with them the name of one of Britain's most experienced engineering consultants.

The government, it seems, has two alternatives. It can go ahead and strengthen the bridge at vast expense or impose traffic controls and build another one to take the extra traffic.

A more immediate worry, however, is the effect that a rather unsightly row will have on British fortunes in the race to win the design contract for a second Bosphorus bridge, which, it is estimated, will cost more than $200m. Two prestigious U.S. consultants — Ammann and Whitney, and Steinman, Boynton, Gronquist and Birdsall—and Cowi Consult from Denmark, have been short-listed, and are currently presenting their credentials in Turkey along with Britain's Mott Hay and Anderson and Freeman Fox.

Commercial radio: profits and problems in the air

By Raymond Snoddy

THE AIRWAVES will be full of congratulations on Wednesday night as Britain's Independent Local Radio (ILR) celebrates, in the company of Prince Charles, its 10th anniversary.

But as the speeches are broadcast live from the banquet in London's Mansion House, all that will come from the local transmitter in Leicester will be a tone signal.

For last month Radio Centre, the Leicester station, announced over the airwaves that it was going into liquidation—making it the first of the 48 local commercial radio stations in Britain to fail.

But although the demise of the Leicester station may serve as a warning to the industry, ironically it has come just when commercial radio in Britain is showing all the signs of pulling out of the recession and attracting more advertising revenues—particularly from national advertisers.

Advertising for September was up 50 per cent compared to the same month last year. Gross revenues for the year to September 1983 showed an 18 per cent rise on the previous year to £69m.

"The whole picture in revenue terms is very buoyant at the moment. There are signs of increasing interest in radio as a medium from very large advertisers," says Mr Brian West, director of the Association of Independent Radio Companies (AIRC).

That said, however, not all the stations are making money. Eleven are estimated to have made trading losses in 1981-82, though some of these were relatively new ones still establishing a local presence and the figure should have fallen in 1982-83.

The big city stations, some after initial difficulty, are now pulling in healthy profits and many of them are limbering up to join Liverpool's Radio City on the Unlisted Securities Market (USM).

London's Capital — whose likely profit in the year to September is £1m pre-tax—is planning to go to the USM, and so is Radio Clyde in Glasgow.

It is in the second division—of medium-sized radio stations—where there has been trouble, particularly where managements have had unrealistic expectations of revenues and have compounded this by spending too much too early on premises.

Three stations which went on the air within a month of each other in 1981, when the recession started to bite, have all faced problems.

One was Leicester, which invested heavily in studios, failed to get as big an audience as it wanted, and thus failed to attract adequate advertising.

The other two—Radio Aire in Leeds and Radio West in Bristol—are deep in the red and have had new managing directors within the past few weeks.

Perhaps you can get as good a flavour as anywhere of ILR at a station like Beacon, serving the West Midlands and the Black Country.

Beacon's managing director, Mr Peter Tomlinson, believes that the station has managed to recreate a damaged sense of pride and local identity in an area devastated by unemployment.

In the past three years, a loss of around £90,000 has been turned into an expected pre-tax profit of a similar amount for 1982-83 on a turnover of £1.5m. Over the same period the station has increased its audience from 29 per cent of the local population to 41 per cent.

But Peter Tomlinson puts his finger on a key issue for all stations when he says that the challenge now is not just to get out of recession but to change the way advertisers view local radio.

ILR gets at present less than 3 per cent of the amount spent annually in Britain on advertising. Nationally, it has to compete with television and locally with newspapers.

About 50 per cent of ILR stations' income comes from national advertising and 50 per cent from local advertising. But the national advertising is heavily concentrated in the large city stations. Small and medium stations may have to earn up to 80 per cent of their income competing with the local press for advertising.

Earlier this year the industry set up the Radio Marketing Bureau to sell commercial radio as a national medium. It can point to some big names using local stations — notably Proctor and Gamble and TDK audio tapes — and a recent radio campaign in Scotland by Kleenex tissues produced a significant increase in product awareness and sales.

Yet some advertisers complain they are not sure what they are getting for their money with ILR.

According to JICRAR, the Joint Industry Committee for Radio Audience Research, commercial radio now attracts 20m listeners at some time each week. The BBC, which uses a different audience measure, gives ILR an average daily patronage of over 6m, compared to 3m for its own 30 local stations in England and 8m for the nationally networked Radio 1.

Latest JICRAR figures also show, that in the past year the number of people listening to some form of radio during the week has dropped to 87 per cent—down 5 per cent on the figures recorded for each of the previous five years. The largest proportion of the drop was apparently in the IRL audience.

Despite this, ILR is confident about the future—and looking forward to the establishment of new stations, even though many of the most attractive locations have already gone.

"What we are seeing is local radio becoming more cohesive, at a time when our competition is becoming more and more fragmented. I think it bodes extremely well for ILR," says Mr John Bradford.

Weekend Brief

Aspinall's two loves—animals and gambling

John Aspinall, founder of the Knightbridge casino which bears his name, views the next few days with a mixture of excitement and trepidation.

In the City he awaits the response from investors to the planned floatation of his casino company on the Unlisted Securities Market. Down in Kent he expects the birth of a rare black rhino—the second within a month—at his private zoo near Canterbury.

Leaning back on a sofa in his elegantly draped Knightbridge office Aspinall says: "I don't know how to explain the combination but I have always loved animals and I have always loved gambling. When I first made money, in 1956, I determined to surround myself with animals."

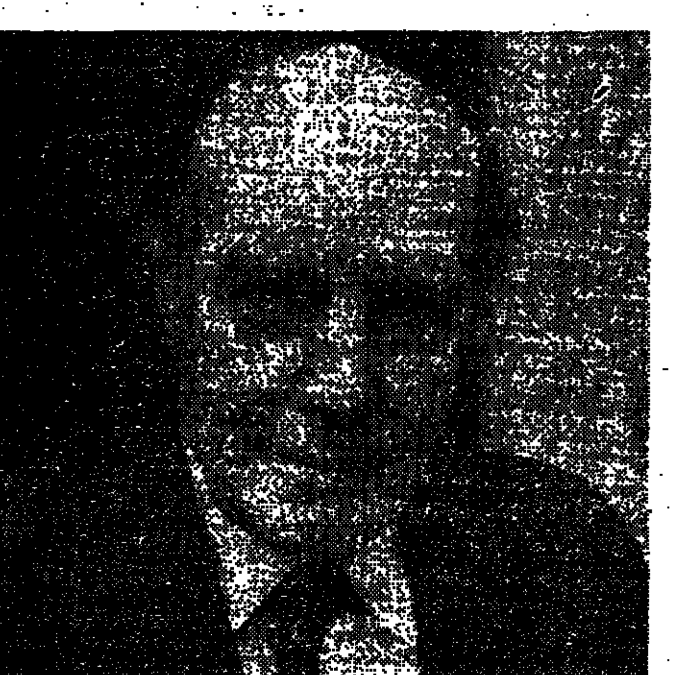
Aspinall and his business partner in the casino business, the international financier Sir James Goldsmith, are together offering 7.8m shares on the USM at 115p, a price which values the six-table gaming club at nearly £60m. The two men will then be left with stakes of 40.2 per cent each. There was strong demand for the offer prospectus when it was published on Thursday.

Despite the risks of the gaming business Aspinall's casino has achieved an impressive growth record. Pre-tax profits rose from £600,000 to nearly £9m in the four years to September 1982 and are estimated at just under £15m for the trading year just ended.

The wealthy customers of London's casinos have been apparently unaffected by the recession although the composition of the gambling elite has changed in recent years. Titled Englishmen and wealthy American industrialists have been largely replaced by rich individuals from the Mid-East, the Far East, India and West Africa.

Aspinall, now 57, founded his first casino, The Clermont, in Berkeley Square in 1962 but sold out 10 years later to concentrate on his private zoo and his wild life park. Escalating costs—the zoo and park have never made money—persuaded him to go back into gambling in 1978.

He now plans to transfer the licence of his Knightsbridge casino to Curzon House in Mayfair and effectively to double the number of tables to 12. The new premises are due to open in March and are now being decorated to Aspinall's own taste.


John Aspinall: one of his closest friends at the zoo is a gorilla

"I don't want it to look like a conservative gentlemen's club. I want to stop just that inch before you reach bad taste, that last moment before you can say it is vulgar. It has to reflect sumptuousness and opulence. The decor is not there to please my customers but to please me."

Aspinall has plans to expand his company's activities beyond gambling but is reluctant to reveal more. What he does not plan to do is to establish a large, characterless chain of clubs run by anonymous managers.

Much of the attractions of his club, he feels, are due to the fact that he is there himself four nights a week to meet the wealthy punters. His business philosophy is to continue the idiosyncratic traditions established by clubs such as White's and Crockford's in the 18th century.

A keen gambler himself—"for the excitement, not the money"—he still frequents the tables at Deauville but is now less keen on the French south coast casinos. He refuses to visit other London casinos because, he says, they have in the past opposed his applications for gaming licences.

The son of an Indian Army surgeon, Aspinall was born in what is now Pakistan and developed an early love for wild animals. From this he has developed his notable successes in breeding tigers, elephants and even rarer species at his zoo in Kent. He is also a keen campaigner for the conservation of wild species.

The fatal mauling of two keepers by a Siberian tigress at his zoo three years ago has not changed his basic faith that animals are superior to man. One of his closest friendships is with Djoum, a 445-pound male gorilla at his zoo.

"I would rather see no world at all than one of just human beings and their domestic plants and animals," he says. "I have the optimistic temperament which goes with being a gambler. I am optimistic about the company we are floating even if the outlook for many rare species tells me the world is in a state of terminal decline."

Oxbridge cuts advantage to private sector

School half-holidays on the strength of Smith Major's Scholarship at Oxford or Cambridge have not necessarily gone for ever because of the two universities' decision to abolish entrance awards. While no longer making them to young men and women newly joining, the Oxbridge colleges will still be able to give their various prizes to outstanding undergraduates later in their university career.

The dropping of the entrance awards reflects growing distaste among the academic staff of the two major universities for their image is still catering largely for the old boys and girls of independent schools. Although these account for only about 6 per cent of the school-age population, private-sector pupils have won a dominant share of the pre-entry scholarships.

Where Oxbridge entrance is concerned the leading independents offer another advantage over almost all schools in the now mainly comprehensive state sector of secondary education. It is a long developed experience in preparing senior pupils beyond their studies for the 18-plus school-leaving examinations, to equip them for the two major universities' internal entrance exams.

In seeking to reduce the advantage to the private-sector pupils, Oxford decided on Thursday night to go farther than its younger counterpart.

While both are banning the pre-entry prizes, Cambridge is still allowing candidates to sit its entrance tests either before or after they take the national examinations at around 18. This preserves the advantage of the special coaching in fee-charging schools. But it is argued that in doing so it retains a greater prospect of admitting students of the highest available academic quality, which is the university's only proper concern.

By contrast Oxford has ruled that, starting with candidates for admission in autumn 1986, the university's own entrance exam can be taken only by those who have not yet sat the national exams. Those who have done so will be assessed on their results in the 18-plus papers together with an interview including oral tests and, if the candidates choose, two examples of their previous written work.

The Oxford colleges catering for undergraduates have approved the new rule not only by a surprising majority — undisclosed but well over the necessary two-thirds — and in a remarkably short time.

"But you mustn't conclude that Oxford generally will henceforth be eager to take up other new ideas," said one of its senior members yesterday. "This one has been pushed through mainly by blackmail."

The Garden's great coup

The Royal Opera House Covent Garden has captured one of the best, the most liked, and the most respected of conductors in getting Bernard Haitink to take over as music director at the Opera House when Sir Colin Davis gives up the post in July 1986.

Whether Mr Haitink has got an equal bargain is another matter. This 54-year-old Dutchman, whose attachment to the UK brought him an Honorary KBE in 1977, is a modest, retiring, very serious musician who might find the hurly burly of a major opera house slightly distasteful.


Bernard Haitink

For a start he is likely to be out of sympathy with Covent Garden's policy of buying in the big international singers. His experiences in conducting Caballé and Pavarotti in *The Masked Ball* at the House were not among the happiest in his life.

He has, however, made a great success of Glyndebourne where he has been music director since 1977, and there is regret in musical circles that the partnership he formed with the new director of production, Sir Peter Hall, which created a very well received *Midsummer Night's Dream*, should be so quickly ended.

Still the opera world plans well ahead and Mr Haitink will remain at Glyndebourne until the summer of 1988, leaving a two year gap at Covent Garden which he will fill with two 12-week seasons. His absence should not create too many problems. There is a school of thought that a music director in a major opera house is an anachronism, acting as a focal point but unable to influence greatly the productions that he is not conducting personally.

It is believed that Covent Garden's first choice as successor to Sir Colin was Claudio Abbado, an opera conductor of much lengthier international experience. In Haitink it has got a meticulous musician, a great believer in rehearsals, and in the quality of the music. He places these virtues above star names. It will be interesting to see if the high standards he established at Glyndebourne can be transferred to the hot house atmosphere of Covent Garden.

Contributors:
Charles Batchelor
Michael Dixon
Antony Thorncroft

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.25	8.25	9.00	2-year Bondshare, 90 days' notice and penalty
			8.25	High Option, 90 days' notice. No penalty
			8.25	7 days' notice. No interest penalty
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	8.25	7 days' notice, no interest penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice. 1 month's penalty
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand
			8.25	7 days' notice
Britannia	7.25	8.25	8.25	7 days' notice, 8.50 2 months' notice
Cardiff	8.00	8.75	—	
	*8.50	—	—	* Share account balance £10,000 and over
Catholic	7.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75/9.50	Fixed 2/3 years. Details supplied
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth.'s not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	6 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 month's not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 7 days' notice, no penalty
			8.50	Xtra Interest Plus, 3 months' notice no penalty
			9.00	High Growth Bond, 3 months' notice/penalty
Heart of England	7.25	8.50	9.00	2 years fixed 1.75 over shares
Hemel Hempstead	7.25	8.50	9.25	2 years, 8.75 3 years, 8.50 3 months
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	9.10	28 days plus loss of interest, 8.25 3 mths.
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	9.00	2 years with monthly int. 8.50 1 month's pen.
Leeds Permanent	7.25	8.25	8.50	Ex. Int. £500 min., 9.00 Bond 2 yrs. £1,000 min.
Leicester	7.25	8.25	8.25	3 months
London and Grosvenor	7.75	9.50	8.25	High Yield (1 month)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	7.25	8.25	8.25	7 days' notice, £500 minimum
Mornington	8.50	8.50	—	
National Counties	7.25	8.55	9.10	28 days' notice £500 minimum
National and Provincial	7.25	8.25	8.50	1 month's notice plus monthly income
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25. £500 minimum withdwl. with 28 days' loss or notice
Newcastle	7.25	8.50	8.75	4 yrs., 9.00 2 yrs., 8.25 28 days' notice, or on demand with penalty. 8.50 90 days' notice, or on demand with penalty
New Cross	8.25	—	8.25-8.75	on share accounts, depending on minimum balance over 6 months
Northern Rock	7.25	8.50	9.00	Moneyspinner 3 months' notice + penalty
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.25	1 month, 9.00 3 months' notice (no penalty)
Portman	7.25	8.75	8.75	Two months' notice, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.00 6 months, 8.50 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	—	Super 8.25 1 month's notice. Silver 8.60 3 years
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	9.00	8.25	7 days' notice, 8.50 Sx. Sh., 7.50 Sh. a/c 2,500+
Sussex Mutual	7.50	9.00	7.75-9.00	
Thrift	8.15	—	9.15	3 years' term. Other accounts available
Town and Country	7.25	8.25	9.00	2 yrs. ½-yrly. int. Monthly income wdl. facility
			8.50	28 days' notice or imm. withdrwl. with penalty
Wessex	8.30	—	—	
Woolwich	7.25	8.25	8.25	7 days' notice
			8.50	90 days' notice or on demand (interest pen.)
			9.00	2-year term, or 90 days' penalty (interest pen.)
Yorkshire	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Deficit at Fortnum and Mason is reduced

IN THE 28 weeks to August 13 1983, Fortnum and Mason, the London departmental store, trimmed its losses from £264,000 to £136,000.

The directors say that profitability for the year is heavily dependent on sales achieved during the second half, and this year would be no exception.

The Piccadilly store would be aiming to improve on the very high sales attained during the second half of 1982 and to further increase trading profits achieved in that period.

However, they add, it would not be realistic to expect to record in the second half the very high percentage sales increases that were achieved in the first half.

Nevertheless, given a continuation of current trends, the company is expecting to return to profits on trading for the full year.

First half sales rose from £3.67m to £4.63m. There was a trading loss of £242,000 (£425,000). The pre-tax loss was after interest receivable totalling £106,000 (£161,000). There were tax credits of £99,000 (£164,000), leaving a net loss of £37,000 this time.

The interim dividend is unchanged at 3.5p—last year's total was 23.22p net from pre-tax profits of £130,000 (£269,000).

The ultimate holding company of Fortnum and Mason is Wittington Investments.

Tern-Consulate

Shirt, tie and knitwear manufacturer Tern-Consulate plunged into taxable losses of £22,000 against profits of £112,000 in the first half of 1982. This follows second half losses of £81,000 in 1982.

The interim dividend is again being missed and a final will be considered at the year end—last year a reduced final of 0.25p was paid from taxable profits of £32,000.

The directors say trading during the first half was lower than expected but margins were held. Sales slipped from £3.7m to £3.26m, while the taxable losses were struck after interest charges of £130,000 (£116,000). There was no tax charge (same) and extraordinary debits came to £14,000 (£100,000).

Ecclesiastical

An increase in pre-tax profits, before charitable grants, from £1.15m to £1.38m has been announced by the Ecclesiastical Insurance Office for the six months to August 31 1983.

A rise in underwriting losses to £510,000 against £314,000 was offset by higher investment income of £1.94m compared with £1.52m. Exceptional debits totalled £46,000 (£52,000).

The company is wholly-owned by the Allchurches Trust.

Net profits came out at £782,000 (£652,000) after a tax charge of £600,000 (£496,000).

The directors point out that, due to the nature of the insurance business, the results for the half year do not necessarily provide a reliable indication of the year's outcome.

In the year to February 28 1983 taxable profits were static at £1.31m.

Mellins cuts interim loss and approaches profitable trading

Mellins is approaching a profitable level of trading activity says Mr Touker Suleyman, the chairman, in his interim statement.

This, he says, is in the light of a sound UK trading base and the group's tight managerial controls and marketing expertise.

For the opening six months of 1983 the group's pre-tax deficit was down at £166,000, against £183,000, with turnover at £1.54m, compared with £611,000.

The announcement of results has been brought forward, Mr Suleyman says, because of a number of "stock market rumours" concerning the company.

He says: "We decided to bring the figures forward to clear the air. We are not building a business based on rumours, but on definite plans for the future."

He says group manufacturing and marketing plans in Turkey and the Middle East are progressing rapidly, and "it is hoped to announce a substantial Middle East order imminently."

The main element of loss in the first half occurred as a direct result of the group's original manufacturing over-capacity. This led to the closure of the Gorleston factory.

All closure and ancillary costs have been provided for in the extraordinary items of £76,000 (nil).

He adds brand names of Paula Lee and Cuta Wear are establishing themselves well and providing Mellins with a good UK sales base.

Also, results of development work carried out this year will start to come through next Spring, he says.

The UK operations will generate good profits. However, group skills in sourcing products from low labour cost areas will be an important part of the UK and overseas expansion programme, he says. The company has identified important sales opportunities in the Middle East and North America, he adds.

Mellins is at an advanced stage in its negotiations to manufacture, under licence, a world famous brand name of jeans. The strategy will be to produce high quality, low cost, branded jeans in Turkey with exclusive distribution rights in Turkey and selected Middle Eastern countries.

Manufacturing plans in Turkey will be on a project management basis and it is unlikely that a capital investment will be necessary. Government export incentives and low labour costs mean that excellent margins can be achieved, he says.

There was again no tax charge for the first half. The loss per 5p share is given as 3.8p against 5.2p.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Clyde Blowers	5.99	—	5.37	6.82	6.3
Delyn ... int.	1	Nov. 25	nil	—	1.5
Fleming Far East ... int.	0.5	Dec. 16	1.5	—	3.5
Fortnum & Mason ... int.	3.5	Dec. 30	3.5	—	23.22
A. Goldberg ... int.	1.29	Feb. 18	1.29	—	5.25
Graig Shipping ... int.	2.5	Dec. 15	2.5*	—	7.5*
Oceana Cons.	1.13	Dec. 20	0.75*	1.13	0.75*
Singapore Para	0.4	—	0.6	0.4	0.6
Tern-Consulate ... int.	nil	—	nil	—	0.25
Tyzack & Turner	nil	—	1	nil	1.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

Graig incurs £0.1m trading loss

THE TRADING loss at Graig Shipping was reduced to £112,000 against £192,000 in the first half to September 30 1983. The interim distribution is effectively held at 2.5p per share.

Net profits fell from £693,000 to £111,000, largely due to an inclusion last time of a £427,000 profit on the sale of gilt-edged stock.

The net result was also after higher oil exploration expenditure of £142,000 (£138,000), interest this time of £76,000, but lower ship depreciation of £79,000 (£190,000). In the comparable half there was a profit on currencies of £20,000. Interest on short-term deposits was down at £519,000 against £765,000.

For the year to March 31 1983 pre-tax profits totalled £806,508 (£2.74m) with turnover at £1.46m (£4.11m).

In the first six months depreciation on the motor vessel "Graigwen" has been provided for as it has subsequently been sold at a figure in excess of the book value.

● comment

Graig's first-half statement is not very enlightening in terms of either the past six months or the next six. What can be gleaned, however, is that shipping—the sector from which the company has wisely disassociated itself for the moment by selling most of its vessels—is still bombed out, leaving a cash pile as the only form of income. Here, too, there is little support because no profit has been made from gilt sales this time and interest from short-term deposits is lower because of the investment in new ventures outside its traditional patch. All this leaves the outlook very uncertain. At 540p the market capitalisation is £10.8m.

M & W Mack

A fall from £694,647 to £504,964 in pre-tax profits is reported by M. and W. Mack, horticultural produce distributor, for the year to April 29 1983.

Mr Matthew Mack, the chairman, says the trading results are "very satisfactory" in face of difficult conditions. There was a minimal increase of 1.3 per cent to £51.8m in turnover of this unquoted company.

Restyled stores boost Goldberg

AN ADVANCE in interim pre-tax profits from £206,000 to £353,000 has been achieved by A. Goldberg & Sons, a department stores operator.

The rise, in the 26 weeks to September 24 1983, reflects continued growth in the areas of young fashion and leisure together with further development of the financial services subsidiary, Style Finance, the directors state.

The improvement in profits is after an interest charge some 96 per cent higher at £1.12m against £568,000, and depreciation of £481,000 compared with £407,000.

Interest on bank borrowings, says the directors, is in line with anticipated increases in customer indebtedness.

Turnover for the opening half was £18.12m against £16.31m, but sales in the company's traditional trading areas continued to be sluggish.

However, refurbished stores and those in areas into which it has expanded have performed better. The directors are encouraged by the reaction to the recently updated "Wrygges" young fashion stores piloted in Dunfermline and repeated in new openings in Rochdale (August) and Warrington (October).

Style Finance has performed well, they say. Recent developments include extensions of the use of the shopping card: now accepted in AT Mays for travel services; Kwik-Fit Euro for auto spares and repairs; Constant Care for the maintenence of household and domestic appliances; and all Scottish Gas showrooms.

Full account continues to be taken of the effects of the current economic climate in arriving at the provision for doubtful debts.

The directors plan to continue the investment programme in new and refurbished stores and, also in the development of financial services.

With tax for the first period at £124,000 (£66,000), giving net profits at £229,000 (£140,000), earnings per 25p share are shown as 1.3p (0.8p). The interim dividend is held at 1.294p. Last year a final of 3.956p was paid from the taxable surplus at £1.72m.

Results due next week

Associated British Foods' results for the half-year to the end of September will be minus three months contributions from the South African Premier Group, which was sold in June. At the same time, the £196m sale is likely to have boosted investment income. Milling margins are under pressure in the UK, as the group has been unable to offset wheat price rises with higher flour prices. The same has been true of its Australian milling operations. It looks as if Fine Fare has lost some market share to Asda although margins should have been maintained. On that basis, the group's interim profits, to be announced on Monday, look set for a decline from £58.8m pre-tax to around £56m, with a maintained dividend of 1.5p net.

European sales of natural gas are at their lowest ebb during the summer, so Shell's results for the third quarter to September 30, due to be announced on Thursday, will show some seasonal weakness. The completion of maintenance work in the North Sea should allow crude volumes there to rise about 25 per cent on the previous three months to a total of nearly 31m barrels. Meanwhile the strength of the dollar during the period has led to high local currency costs for crude, which could have squeezed downstream margins in Europe, although the damage is likely to have been limited by the firmness of retail product prices. The consensus is for a slight decrease on second quarter net income to £610m, or £585m based on the current cost of supplies.

Analysts are pinning their hopes on a good set of first-half figures from Whitbread on Tuesday in the hope that it will cheer up an otherwise dismally performing sector. Against the background of ideal summer weather conditions, Whitbread could do slightly better than the competition because it has more country pubs. One other fillip could be that the new U.S. acquisition Julius Wile is doing better than expected. The expectation is for up to £50m pre-tax (£43m) with an interim dividend payout at least 10 per cent higher than last time.

It is against the background of buoyant consumer spending and a small, though significant, increase in food price inflation that J. Sainsbury is announcing interim results on Wednesday. While analysts are confident that the company will not disappoint, it will not be a vintage performance since Sainsbury turned in such good results last year and the likes of Asda and Tesco reportedly have a small edge at the moment. Nevertheless, existing stores are mostly running above budget and gross margins should be better than a year ago. Analysts are expecting between £57m and £62m pre-tax (£50.5m) with a dividend increase in line with the profit hike.

The erratic nature of Lucas's earnings in recent years and its high operational gearing mean that forecasts of the group's profits vary widely. However, a decline from £20.2m to around £6.5m pre-tax seems to be in the middle of the range for the group's results for the year to July 31, due to be announced on Monday. Volumes and margins are expected to have slipped at CAV, where demand for commercial and agricultural vehicles remains depressed. The final quarter, however, could show a measurable improvement in the car related companies, which should have responded to increased production by manufacturers making up for the April wave of strikes and preparing for August registrations. The dividend, which was reduced in the previous year, should be maintained.

The market is anticipating near doubled pre-tax profits when two major composites, Commercial Union and General Accident, report their nine-month figures on Wednesday, with CU showing £45m against £24m and GA £60m against £35m. But this presents a highly misleading picture of insurance operations in both these groups, which are facing considerable problems on their worldwide business. CU is still wrestling with its massive US account and underwriting losses here are likely to be around £150m of the total losses of £190m. GA is struggling with its massive UK motor account besides facing problems in the U.S. The better pre-tax figures come from continued growth in investment income, the absence of severe winter weather and higher life profits.

Other companies reporting next week include De La Rue, which is bringing out its interim results on Tuesday. Smiths Industries, which publishes its finals on Wednesday and Chubb, which is bringing out its figures for the first six months on the same day. Ultramar is due to announce its figures for the third quarter of the year on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Barton Transport	Friday	—	5.0	—
Beazer, C.H.	Tuesday	2.7	5.5	3.0
Bellway	Wednesday	3.0	4.0	3.0
Bridport-Gundry	Monday	0.93	1.42	1.1
Jessups	Wednesday	—	2.9	1.0
London & Provincial Shop Cntrs Hdgs	Tuesday	0.6	1.78	0.75
Lucas Industries	Monday	2.6	6.0	2.6
LWT (Holdings)	Thursday	4.4342	6.5815	4.4342
National Com Bnk Corp of Australia	Thursday†	11.0	12.0	11.0
North Atlantic Securities Corp	Thursday	1.0	1.75	1.0
Platignum	Friday	—	—	—
Smiths Industries	Wednesday	4.0	7.0	4.0
Tyzack, W. Sons and Turner	Monday	0.5	1.0	—
W. Ribbons Holdings	Wednesday	—	—	—
Yarrow	Tuesday	2.5	6.5	2.5
INTERIM DIVIDENDS				
Allied Computer Technique	Thursday	—	—	—
Allnat London Properties	Tuesday	1.0	6.2	
Anglo American Coal Corporation	Tuesday†	50.0	95.0	
Ambrose Investment Trust	Tuesday	3.0	4.8	
Anglo American Corp of South Africa	Tuesday†	35.0	75.0	
Asset Special Situations Trust	Tuesday	0.3	0.42	
Associated British Foods	Monday	1.36364	2.90909	
Bank of Ireland	Thursday	2.33333	6.7	
Beales, John, Associated Companies	Thursday	3.0	2.0	
British-Borneo Petroleum Syndicate	Thursday	4.35	8.45	
British Investment Trust	Monday	2.3	5.3	
Bulgin A. and F.	Friday	0.58	0.77	
Capital Gearing Trust	Thursday	—	0.25	
Cater Allen Holdings	Tuesday	7.0	19.75	
Chubb and Son	Wednesday	1.9456	4.0074	
Churchbury Estates	Wednesday	3.0	3.5	
De la Rue	Tuesday	6.5	16.3	
Electra Investment Trust	Wednesday	1.34	1.75	
Electrocomponents	Monday	1.0	2.0	
Elswick-Hopper	Thursday	—	0.025	
External Investment Trust	Wednesday	4.5	5.5	
Feedex Agricultural Industries	Wednesday	0.5	0.65	
Ferguson Industrial Holdings	Monday	2.2	3.5	
Futura Holdings	Wednesday	1.3125	2.25	
Great Portland Estates	Wednesday	1.0	4.0	
Harwells Group	Tuesday	1.4	3.0	
Holyrood Rubber	Thursday	10.0	20.0	
King and Shaxson	Tuesday	2.5		
Kuala Selangor Rubber	Thursday	4.5	3.0	
Linread	Wednesday	—	1.0	
Lloyd, F. H. Holdings	Tuesday	—	1.0	
Munford and White	Monday	—	1.0	
New Throgmorton Trust	Tuesday	1.0	1.0	
Porter Chadburn	Tuesday	—	0.25	
Rush and Tompkins Group	Tuesday	1.65	4.35	
Sainsbury, J.	Wednesday	1.9	3.35	
Seccombe Marshall and Campion	Wednesday	6.0	15.0	
Shaw and Marvin	Monday	—	—	—
Slingsby, H. C.	Wednesday	0.8	1.8	
Staveley Industries	Thursday	4.5	8.5	
Tysons (Contractors)	Monday	—	2.3292	
Usher-Walker	Wednesday	1.5	3.5	
Valor	Thursday	0.934	2.566	
Waddington, John	Tuesday	—	0.5	
Whitbread and Co	Tuesday	1.65	3.75	
Whittington Engineering	Thursday	1.4	2.8	
Witan Investment	Wednesday	1.05	1.2	
Yorklyde	Tuesday	6.0	—	
INTERIM FIGURES				
Commercial Union Assurance	Wednesday‡	—	—	—
Continental and Industrial Trust	Monday	4.0	10.5	
Fidelity	Wednesday	—	0.1	
General Accident Fire & Life Ass Corp	Wednesday‡	—	—	—
Hill Samuel Group	Wednesday	2.8	6.3	
KCA International	Monday	2.75	—	
Personal Assets Trust	Friday	—	—	—
Royal Dutch Petroleum	Thursday‡	—	—	—
"Shell" Transport and Trading	Thursday‡	—	—	—
Ultramar	Thursday‡	—	—	—

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.
† In cents. ‡ Third quarter results.

Smaller second half shortfall at Abaco

SECOND-HALF taxable losses of property investor and developer Abaco Investments—formerly Greencoat Properties—were cut from £293,000 to £189,000, leaving the group with smaller losses in the year ended June 30 1983 of £253,000, compared with £340,000.

Turnover for the 12 months moved ahead from £1.34m to £1.78m and operating profits came to £667,000 (£331,000), but these were offset by operating costs of £1.11m (£1m). Interest receivable amounted to £52,000 (£35,000) and there was interest payable of £972,000 (£709,000).

Losses per 5p share are given as 0.61p (1.07p). Group net asset value at the year end (adjusted for rights issue) was approximately 12.5p a share ignoring surpluses estimated at 3.0p per share on properties held for development.

The directors add that until the group has developed its financial services activities, the results will continue to be affected by the timing of sales of development properties.

The timing of sales of the group's developments in Kingston and Kensington will substantially affect the interim and full-year figures for the current year. While the directors do not forecast a profit for the first half they hope to report a return to profits and the payment of a dividend in respect of the full year.

W. Tyzack & Turner

A £172,000 loss was incurred by W. Tyzack, Sons & Turner in the second half and, coupled with the interim deficit, resulted in an overall taxable loss of £436,000 compared with profits of £132,000.

However, the directors of this engineering concern say that benefits of remedial action undertaken last year should work through fully during the first half of the current year. Also, they add, benefits will accrue from the recent price increases.

The loss per 25p share was 24.4p against a 6.7p earnings. There is no dividend distribution.

Turnover for the 12 months was £5.45m (£5.43m), and the taxable result was after operating charges and income of £444,000 (£431,000), interest of £183,000 (£119,000), and an exceptional debit this time of £83,000.

Tax took £1,000 (£12,000) giving a loss of £437,000 (profit £120,000).

Delyn Packaging

Pre-tax profits at Delyn Packaging improved from £2,000 to £23,000 in the 26 weeks to July 31 1983. The group is paying a 1p (nil) interim dividend—last year a final of 1.5p was paid from pre-tax profits of £250,000.

The directors say the results are in line with budget and reflect the continued progress the company is making, and having moved the plastics division into the company's "new food hygienic factory," the order book is growing at a satisfactory level.

The paper division, having been reorganised has, as anticipated shown a drop in turnover.

Group turnover for the first half was down from £1.37m to £1.25m. No tax was again payable. Earnings per 20p share improved from 0.101p to 1.156p.

Mr Geoffrey Fisher, the chairman, says he is confident that profits for the full year to January 1984 will exceed those of the previous year.

Northern Securities

At September 30 1983 net asset value per 25p share of the Northern Securities Trust amounted to 478p, an improvement of 185p in a year.

Earnings for the half year to end-September rose from 1.22p to 2.1p per share. The net interim dividend is held at 3p and a final of not less than 3p (same) is anticipated.

Income expanded by £297,000 to £492,000, including dividends and interest on investments of £442,000 (£178,000). Profits rose from £69,000 to £127,000 after interest of £293,000 (£63,000) and management expenses of £72,000 (£62,000) but before tax of £48,000 (£22,000).

Berry Trust

Net profits at Berry Trust moved ahead from £294,000 to £319,000 for the year to the end of August 1983 and net asset value per 25p share increased from 183.2p to 295.1p, assuming full conversion of loan stock.

The net dividend for the year has been raised from a single payment of 1.8p to 1.9p—diluted earnings per share moved up from 1.86p to 2.02p, and undiluted from 1.87p to 2.03p.

A one-for-one scrip is also proposed.

Income rose from £1.49m to £2.34m including dividends and interest on investments of £1.86m (£1.41m). Interest payable came to £1.23m (£681,000) and management expenses £484,000 (£327,000). Tax came to £208,000 (£188,000).

Oceana Consolidated

The dividend at the Oceana Consolidated Company, investment trust, is effectively raised from an adjusted 0.75p net to 1.125p for the year to March 31, 1983.

Pre-tax revenue soared from £131,866 to £859,680. Total revenue was £884,794 (£157,883) of which realised investment gains accounted for £718,051 (£7,170).

After tax, up from £36,201 to £263,118, and minorities of £2,555 (£1,702), attributable profits emerged at £594,007 (£93,763).

Earnings per 25p share advanced from an adjusted 2.22p to 14.54p.

BIDS AND DEALS

Trafalgar House sells Cunard International Hotel for £15m

Trafalgar House, the construction and shipping group, has sold its 640-room Cunard International Hotel in Hammersmith, West London to the French-based Novotel group for £15m.

Trafalgar, which owns the Ritz Hotel and the QE2 luxury liner, said it had sold the mass-market Cunard International because it wanted to concentrate on the upper end of the hotel market.

The Cunard International was originally designed as a new West London air terminal, but changes in travel patterns led to a change in use and it opened as a hotel in 1973.

Trafalgar has four other hotels, two in the Caribbean to serve its cruise ships, one of about 60 rooms in Cambridge tied in with a property development, and the four-star Bristol Hotel, with 193 rooms, in Mayfair.

The £14.98m purchase price was in excess of the asset value of the hotel, Trafalgar said. The sale was completed yesterday.

Novotel (UK), the purchaser, is part of the Accor Group, the recently formed holding company for the Novotel, Sofitel Mercure and Ibis hotel businesses.

It is the largest French hotel and catering group, ranking ninth in the world hotel league.

Novotel already has four hotels in the UK but lacked a London base. It has a 99-room hotel in Coventry, a 136-room hotel in Bradford, a 101-room hotel in Plymouth and a 112-room hotel at Long Eaton, Derbyshire.

The company traditionally sites its hotels outside city centres where there are good parking facilities. The Cunard International, which will be refurbished and renamed Novotel, has plentiful parking despite its central location.

Matt. Brown in pub swap deal

BLACKBURN-BASED brewery group, Matthew Brown, has agreed with John Smith's Tadcaster, which is owned by Courage, to swap seven of its public houses in its native Lancashire for 25 Smith's pubs in the Carlisle and West Cumbria areas.

The cash consideration due to Smith's is about £2.7m net. This broadly equates with the purchase price agreed by Matthew Brown with Mr Paul Theakston for the brewery group which bears his name.

The Theakston deal has not been finalised, not least because its articles require seven days notice of a full board meeting and some directors, notably Mr Gerry Weston and Mr Michael Theakston are understood to have opposed the sale to Matthew Brown.

However, Mr Paul Theakston has acquired 48 per cent of the company, which owns breweries in Carlisle and Masham, North Yorkshire, from London Trust. Coupled with his own stake this amounts to a controlling 59 per cent holding in the equity. Matthew Brown has indicated that it will at least match the 64p per share paid to London Trust for this stake.

Matthew Brown already owns over 500 licensed outlets and will exchange the pub portfolios with Smith's in January. All licensees have been informed of the deal, as have the trade unions and trade organisations, and further consultation will take place in the coming week.

Hoover UK recommends take-over by U.S. parent

Hoover U.S. wants 100 per cent ownership of its world-wide white goods and floor operations and the independent directors of its British arm are recommending an offer by the parent company to take full control because they believe that "the opportunities to achieve substantial real growth in revenues are limited."

Th parent company is paying £19.9m for the outstanding equity through a Scheme of Arrangement on terms which value the ordinary shares at 240p per share and the "A" ordinary at 235p per share.

Hoover already owns all bu 26.7 per cent of the ordinary shares and 52.2 per cent of the "A" shares.

Shareholders are reminded that the U.S. parent supported its UK offshoot in the years of depressed profitability and costly restructuring, and has "contributed significantly to the recovery, particularly through technical support for the development of the new ranges of floor care products."

The UK business is recovering strongly. Earlier this week, it announced profits of £3.6m in the first nine months of 1983 and almost £2.58m in the third quarter alone. It is now forecasting pre-tax profits of about £5.5m for the full year. Hoover UK last produced profits on anything like this scale in 1978 when it made £5.4m before tax.

The recovery, however, stems largely from the benefits of earlier cost-cutting and the "strong performance of the Australian subsidiary." Further progress can be achieved in the UK, the independent directors say, and from new product introductions. But they warn that they "do not expect significant growth in the company's principal markets in the near future."

Furthermore, they point out that Hoover U.S. is the controlling shareholder "and is thus in a position not only to prevent outside offers for Hoover UK succeeding, but also to influence the policies including the dividend policy, adopted by Hoover UK."

Allianz ponders next move

Allianz Versicherung, West Germany's leading insurance group, yesterday reaffirmed that discussions on whether to respond to the bid by BAT Industries for Eagle Star Holdings would take several days.

Dr Detlev von der Burg, director of the board of management of Allianz said that there was no pressure on the board to take a quick decision.

Allianz holds 29.99 per cent of Eagle Star's equity and has made a 500p per share cash bid for the remainder. This was rejected by Eagle Star—its board has recommended the surprise 575p cash bid from BAT made on Wednesday.

The choice before Allianz appears to be either to make a higher offer or sell out its present holding. The offer from Allianz is due to close at 3 pm on Saturday, November 12, so it is expected that a decision will be made by next Friday. The share price of Eagle Star closed 5p up at 586p after reaching 604p.

The other unknown factor in this bid battle is whether Mr Norman Tebbit, Secretary of State for Trade and Industry will refer one or both bids to the Monopolies and Mergers Commission.

Guinness Peat

Guinness Peat has written to shareholders advising them to approve the acquisition of Moorside Trust.

Following the acquisition, the group's balance sheet would be strong. With that in prospect, in the past fortnight, it had been able to:

● Obtain from its leading bankers agreement to prepare for new medium-term facilities on more favourable terms than the present short-term facilities;

● Initiate negotiations for the purchase of attractive income-producing assets in the U.S. where the group had substantial tax losses available.

Such purchases would not be possible nor would new bank facilities be available on such favourable terms, unless the acquisition of Moorside went ahead, Guinness Peat said.

Juliana's

Juliana's Holdings has formed a new joint company called GymTech U.S.A. to provide executive fitness centres/health clubs in international hotels. Their partner in this new venture is Mr Ong Beng Seng, a Singapore businessman.

The concept behind GymTech is to combine exercise programmes with computer technology to maximise the benefits of fitness training. The means of access to the computer will be a card which will also enable members to use the facilities at any GymTech location.

Juliana's regards GymTech as an extension of the services already provided to international hotels. The financial terms on which the new company will operate will be similar to those used by the discotheque companies.

The first contact to supply GymTech's services has been signed with the Hyatt Hotel in Singapore. The contract will run for five years commencing in May 1984.

Olympia (Redacre)

The shares in Olympia (Redacre) were temporarily suspended on the London Stock Exchange from 1.45 pm on November 4. This was at the company's request, pending publication of re-organisation particulars.

Butterfield-Harvey

On October 26, Anglo Nordic Holdings announced that it was considering its position regarding a possible bid for Butterfield-Harvey. Anglo Nordic now states that it has decided not to pursue this possibility in the present circumstances.

Safeguard Indst

Net asset value of Safeguard Industrial Investments, investment trust, rose by 33.5p to stand at 185.5p per 25p share at September 30 1983. After a higher tax charge of £318,467, against £264,278, profits for the 12 months to end-September emerged £71,442 ahead at £728,773.

Earnings for the period amounted to 6.65p (5.98p) per share and a same-again final dividend lifts the year's total by 0.7p to 6.6p net.

Jantar

Jantar, mining, metal and mineral trader, reports an operating surplus of £127,206, against £9,219 for the six months to June 30 1983.

For 1982 the surplus was £154,020.

It is not the company's policy to declare an interim dividend. The tax charge for the first half was £66,200, against £4,290 giving a net balance of £61,106, compared with £5,019. Earnings per 12½p share are given as 1.26p against 0.102p.

'Sell in the market' Morland tells members

Morland Securities, the Birmingham property group, yesterday described a £674,000 bid from Mr Jeremy Peace "as fair and reasonable" but advised shareholders who wanted to sell to do so in the market where the share price is higher.

The directors said it was unlikely to be in the shareholders' interest to accept unless the market price fell below the offer price during the acceptance period. The directors do not intend to accept in respect of their holding of 9.46 per cent.

Mr Peace, until recently an investment fund manager with M and G, bid 52p a share for Morland on October 11 after buying the 53 per cent stake held by Morland's managing director, Mr Robert Moore.

In the formal offer document sent out yesterday, Guidehouse, the merchant bank acting for Mr Peace, said he planned to maintain Morland's USM quotation and would place enough shares in the market to achieve that.

Mr Peace's 52p offer represented a 10.6 per cent premium on the previous market price of 47p, but the share price had risen to an average 79.5p by November 2, just before publication of the document. The share price rose 2p to 80p yesterday.

The Morland board said it was too soon to forecast results for the full year but it expected an interim statement of the trading result for the half year ended September 30, 1983 would be circulated during the offer period to provide further and more up to date information.

The offer closes on November 28 and will not be extended.

Edinburgh Securities

Edinburgh Securities Company, the oil and gas exploration, production and investment group, has agreed to buy the 80 per cent of its Santop associate which it does not already own in a deal which values the company at £1.1m.

Edinburgh Securities will issue 585,073 new shares by way of exchange to acquire Santop, which earlier this year was awarded a six per cent interest in two blocks, 48/18C and 48/23, in the southern gas basin of the North Sea.

Net assets of Santop are about £1.05m excluding any value for exploration spending. The £1.1m valuation put on Santop is based on the middle market price of Edinburgh Securities at the close of business on November 1 of 102.5p.

Dee Corporation

Holders of £3,147,788 of 12 per cent convertible unsecured loan stock 1985-90 of Dee Corporation have exercised their rights to convert the stock into 1,431,809 ordinary shares.

Application for the shares to be listed is being made to the Stock Exchange.

As holders of more than 75 per cent of the stock have exercised their rights of conversion, the company is entitled to convert the remaining issued stock on the terms applicable at October 31.

Hunslet Holdings

The following directors have the following interests in Hunslet Holdings: Mr Keith Alcock 126,022 shares (10.5 per cent); Mr Peter John Alcock beneficial 126,223 (10.52 per cent), as trustee 60,000 (5 per cent); George David Gawthorpe beneficial 197,260 (16.44 per cent), non-beneficial 8,760 (0.86 per cent); Mrs Mary Bessie Gawthorpe 84,260 (7.02 per cent).

No probe

The Trade Secretary has decided not to refer the merger involving the engineering steels businesses of the British Steel Corporation, Guest Keen and Nettlefolds and Hamsteds (a Lonrho subsidiary) to the Monopolies Commission.

Hambros Inv. Tst.

The net asset value per 25p share of the Hambros Investment Trust rose to 188.6p in the six months to September 30, 1983 against 121.3p for the comparable period. The value is after deducting prior charges at par.

The value is stated at 180.4p compared with 125p after taking prior charges at market value.

Pre-tax revenue for the period was £1.64m against £1.7m, after expenses of £283,000 [illegible] £385,000 (£320,000).

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

BAT Industries is ready to pay nearly £800m for Eagle Star Insurance, the UK's sixth largest composite concern. The take-over is Britain's largest ever bid and, at 575p cash for each Eagle Star share, exceeds Allianz Versicherung's offer for the UK insurer of 500p per share, worth £692m, by some 15 per cent. Eagle Star, which recently rejected the Allianz bid as derisory, is backing the BAT offer. Allianz, West Germany's biggest insurance concern, holds some 30 per cent of Eagle Star's equity capital and its advisers have intimated that a statement is unlikely until next week.

RIT and Northern and Charterhouse Group are planning a £400m merger to create a major international financial services group. The merger will rank as one of the biggest in the British financial service sector in recent years and will be implemented through the offer of shares in a new holding company named Charterhouse J. Rothschild. In market capitalisation terms, the newly merged company will be almost twice the size of any UK merchant bank and will be the largest financial services group outside the clearing banks.

Button and badge maker **Firmin and Sons** is in talks with an unnamed party which could lead to an offer for the company.

Investors in Industry Group plans to bid for the 60 per cent not already owned of Edith, an investment trust specialising in unlisted companies, in a deal which would be worth nearly £28m. Prior to the announcement, dealings in Edith's shares were suspended at 47p at the company's request.

Meggitt Holdings, the loss-making machine tool distributor, called a halt to dealings in its shares pending a further announcement regarding the expected arrival of a new management team.

Dealings in **Birmingham Pallett** were suspended at 63p at its own request. The company said that its directors were discussing with the shareholders of a private group of companies the acquisition or reverse takeover of the private group.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Drake and Scull	116§§	113	85	21.24	Simon Engineerg
Eagle Star	560*§	598	500	692.02	Allianz Versehrng
Eagle Star	575*	598	528	795.37	BAT Inds
FMC	49*	52	48	4.90	Hillsdown Hldgs
Garford-Lilley	79§§	76	38	5.20	Williams Hldgs
Hawkins & Tmpsn	44*§	43½	38	3.82	Evered
Helical Bar	65*§	70	75	1.89	Exent
Hoover (UK) Ord	240*§	230	215	18.34	Hoover (U.S.)
Hoover (UK) "A"	235*§	225	205	28.69	Hoover (U.S.)
Illngwth Mrrs Ord	14¾*§	17	18	1.33	Mr A. Lewis
Illngwth Morris A	10½*§	11	11	0.63	Mr A. Lewis
Ingram (H.)	65*§	220	80	1.02	Wasskon
Ins Cpn of Ireland	264§	272	224	125.52	Allied Irish
Moorside Trust	101*	105	94	19.6	Guinness Peat
North Brit Prop	188*	181	158‡‡	26.07	Sun Life Assur
Rightwise	238½*§	190	200	2.57	Crosby House
Royal Worcester	287	322	275	19.42	Crystalate
Russel Bros	100*	120	115	0.72	Mr N. Phoenix
Spring Grove	50*¶	46	48	16.68	Pritchard Services
Sunlight Serv	264	225	192	31.99	Brengreen Hldgs
Tate of Leeds	210*§	197	170	1.21	Tate family
Tecalemit	44½§§	46	29	15.21	Siebe Gorman
Telfos	40*§	41	38	2.08	Plantation and Gen Ivs
Twinlock	71*§	70	60††	15.17	Acco World Cpn
UBM Group	131§§	117	99	76.81	Norcros
Westminster Prop	35¼*§	32	32	9.85	Milbury
Whittingh'm (W.)	130*§	127	114††	8.11	Comben Group

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. || Loan stock alternative. ** Based on 4/11/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

Offers for sale, placings and introductions

Afcor Investments—Offering 2,574,400 Senetek shares over the counter at 59p each.
Aspinall Holdings—Offering for sale 7.8m shares at 115p each.
Federated Homes—Coming to USM via placing of 2.4m shares at 54p each.
Tricentrol—Placed 8m shares at 172p each.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Adv Services	June	2,200	(2,140)	1.1	(1.0)
Aero Needles	June	195	(50)	—	(—)
Airflow Stream	August	180	(170)	0.25	(0.25)
Audiotronic Hldgs	August	23L	(103)L	—	(—)
Boot, Henry	June	255	(221)	3.0	(3.0)
CASE	Sept	1,460	(—)	1.36	(1.58)
Causton, Sir J.	July	400	(144)	0.78	(0.78)
Clarke, Clement	June	831	(714)	1.31	(1.15)
Clayton, Son & Co	June	155L	(604)	—	(0.93)
Cole Group	June	232	(71)	1.5	(1.0)
Ellis & Goldstein	July	480	(102)	0.85	(0.85)
Feb International	June	405	(342)	0.81	(0.75)
Flight Refuelling	June	2,520	(1,820)	0.9	(0.75)
Finlan, John	June	103	(232)	3.0	(3.0)
Gieves	July	497	(121)	1.1	(0.75)
Hay, Norman	June	246	(169)	1.25	(1.25)
Hoover	Sept††	3,620	(6,810)L	—	(—)
Hopkinsons Hldg	July	1,910	(1,460)	1.5	(1.5)
Hunting Ass Ind	June	2,370	(2,130)	3.0	(2.5)
Jacobs, W. and R.	July†‡	440L	(763)	2.0	(2.0)
Jersey Elec Co	July	1,530	(1,840)	4.0	(4.0)
Marks & Spencer	June	105,600	(91,000)	2.05	(1.85)
Marlborough Prop	June	199L	(116)	0.2	(0.2)
Milford Docks	June	304L	(127)L	—	(—)
Milletts Leisure	August	172L	(399)	2.95	(2.95)
Ports & Sund Nws	October	1,280	(1,520)	1.0	(1.0)
Reed Internatnl	October	39,260	(26,100)	5.0	(4.0)
Savoy Hotel	June	1,590	(30)	—	(—)
Scott & Robertson	August	569	(124)L	0.75	(—)
Shiloh	October	108	(205)	0.75	(0.75)
Small, J. & Tdms	June	136	(6)	—	(—)
Staff Offshore Ser	September	1,270	(1,270)	1.0	(1.0)
Tate of Leeds	June	253	(295)	—	(—)
Uniroyal	July	1,510	(2,250)	—	(—)
Upton, E.	August	331L	(218)L	—	(—)
Websters Group	June	405	(135)	0.9	(0.8)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net pence per share except where otherwise stated. † 28 weeks. ‡ In I£. †† Third quarter figures. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Allied Lond Prop	June	2,430	(1,950)	9.2	(7.9)	1.7	(1.28)
Attwoods	July	1,010	(406)	6.7	(5.8)	3.5	(2.0)
British Car Auct	July	6,020	(3,710)	11.6	(7.1)	5.25	(4.25)
Burgess Products	July	237L	(801)	—	(—)	1.5	(3.5)
Cramphorn	July	377	(304)	117.5	(95.6)	25.0	(20.0)
Gaunt, Rowland	April	30L	(34)L	—	(—)	—	(—)
Hepworth, J.	Aug	8,560	(4,700)	14.5	(9.0)	5.5	(4.0)
Jayplant	May	44	(38)L	1.5	(—)	—	(—)
Martonair Intnl	July	2,440	(2,340)	19.0	(17.0)	6.55	(6.05)
Newman Tonks	July	2,830	(2,710)	8.8	(9.2)	5.1	(5.1)
Peters Stores	June	246	(99)	6.9	(2.4)	2.0	(0.5)
Pineapple Dance	July	156	(104)	—	(—)	1.5	(—)
Prestwich Parker	June	6L	(15)	—	(—)	—	(—)
Simpson, S.	July	843	(402)	10.1	(4.1)	2.69	(2.19)
Smart, J. & Co.	July	829	(1,470)	6.5	(8.0)	3.95	(3.95)
Smith, Herman	June	75L	(287)	—	(—)	0.5	(0.5)
Stewart & Wight	March	35	(8)	32.2	(3.4)	13.0	(4.0)
Strong and Fisher	July	413	(407)L	3.6	(—)	—	(—)
Sungei Baru Rubr	June	130	(44)	3.1	(1.5)	2.75	(1.25)
Trident Comp Ser	June	101	(242)	2.3	(4.9)	1.5	(1.5)
Ulster TV	July	787	(688)	22.0	(15.3)	8.0	(6.8)
Wolseley-Hughes	July	15,810	(11,140)	51.0	(47.8)	15.89	(15.13)

Scrip Issues

A. and G. Securities—One for one scrip issue.
British Car Auctions—One for one scrip issue.

Rights Issue

Pineapple Dance Studio—Rights issue to raise £1.5m on basis of five for six at 95p per share.

CONTRACTS

Plessey wins further Cameroon airport order

PLESSEY AIRPORTS has won a further contract worth £5.5m extending its involvement in the project to construct an international airport at Garoua in the United Republic of Cameroon. The contract is scheduled for competion over a 20-month period and provides ground lighting equipment; new telephone and communications systems for the presidential pavilion; modifications to the passenger embarkation system including three apron drive air-bridges and aircraft blast barriers; baggage conveyors and check-in weighting equipment and catering equipment and maintenance vehicles. The original project announced in 1979 included a £17m contract to Plessey for systems design and management and supply of equipment and services aimed at bringing the airport up to ICAO Class A international standards. This contract was supplemented by another for the supply of £5m worth of additional equipment, awarded in April 1982. The terminal building was opened to national traffic late last year. Credit financing for the new contract has ben provided as previously by Manufacturers Hanover Export Finance.

★

FENAMEC, materials handling division of the Hull-based Fenner Group, has been awarded a contract valued at over £400,000 to design, manufacture and instal baggage handling equipment for the Dover Harbour Board's eastern docks passenger terminal currently being extended. The system comprises two sloping carousel conveyors, each carrying passenger baggage transported by three underfloor conveyors from coach unloading docks. A further flat reclaim carousel completes the arrival system. The improvements are scheduled for completion by the summer of 1984. When the new baggage handling system is in full operation, it will increase the Eastern Dock's terminal's handling capacity to 10m passengers a year.

★

FLAKT, Staines, in co-operation with Flakt Industri AB of Sweden, has received an order worth around $8m (£5.3m) from Amalgamated Industries in Trinidad. The West Indian company assembles cars for its home market under licence from European and Japanese makers. The contract is for turn-key delivery of a paint finishing facility consisting of pre-treatment and electrodip as well as primer and top coat lines with paint circulation systems. It also includes a 6,000 sq metres building with foundations. The installation is to be ready for operation in January 1985.

★

British Telecom has placed a £4.4m order for Ital vans with AUSTIN ROVER. This will bring the total number of Ital vans supplied to British Telecom during the 1983-84 period to more than 4,000.

★

FORD & WESTON (SOUTH WEST) has work worth over £4m. The Borough of Thamesdown has awarded a contract worth nearly £3m for 144 homes at Freshbrook, Swindon. The contract, due to begin in mid-November, should last 21 months. A contract for Wychavon District Council, worth nearly £1m, is for homes at Four Pools, Evesham, and refurbishment of premises for W. H. Smith & Sons at Newport, Gwent, is worth £483,547.

★

An order worth around £450,000 has been secured by SHEEPBRIDGE SINTERED PRODUCTS (GKN GROUP), for the supply of special ice protection panels for the Cessna Citation II aircraft, working in collaboration with T.K.S. (Aircraft De-Icing). The manufacturing process incorporates laser technology equipment for this liquid system.

★

The power systems division of CHLORIDE STANDBY has won orders worth £100,000 to supply on-line static uninterruptible power supplies (UPS) for computers and telemetry systems monitoring and controlling electricity distribution networks for the Midland and the North East Electricity Boards. Both orders were placed by Ferranti Computer Systems.

★

TELEPHONE RENTALS has won a £750,000 contract to design, supply and install a digital communication system for Sainsbury's. The contract provides for a network of TR Telematic DX exchanges, call logging equipment and directory systems at the London headquarters and Streatham offices. The network comprises 1,800 extensions and 230 exchange lines with direct dialling inward facilities. Private circuits will link the company's facilities throughout the UK. Installation will begin early in 1984.

★

A £730,000 contract to construct retail warehouses and external works at Arrochar Road, Glasgow, for Ellison Harte (Summerston) has been awarded to A. MONK AND CO.

After two years of negotiation, Poole-based SIEGER has signed contracts with China to supply technology, equipment and instruments in a package deal worth £650,000. The expertise and equipment will be delivered to an instrument factory in Chungoing, in S.W. China over the next 15 months, and will result in local manufacture of the Sieger methane sensor. The instruments will be used to re-equip a mine in Central China with the latest safety equipment.

★

Laskys has placed an order worth over £500,000 with CAMPUTERS for the Lynx 128 professional micro. "The Lynx 128 will fill the gap between the more expensive business machines and the low-cost home computers," says Mr Philip Halton, Lasky's micro buyer.

★

The contract to build a £480,000 physical fitness centre at the Ashridge Management College, near Berkhamsted, Herts., has been won by LOVELL CONSTRUCTION (MIDLAND). The brick and steel structure with a floor area of 760 sq metres will include a swimming pool, spa pool, three squash courts, exercise area and changing rooms. The centre will be finished before next September.

APPOINTMENTS

Group managing director for Central & Sheerwood

CENTRAL & SHEERWOOD has appointed Mr David N. James as group managing director from January 1. He joins from Cosco Industries of the U.S. where he was executive chairman of its U.K. and overseas subsidiaries.

★

Mr Cliff McCorry, sales director, and Mr Peter Shields, operations director, have both been appointed to the board of MEDENS, a company within the Brown Shipley Group.

★

Mr Jim Moulton has been appointed managing director of the CHAPMAN, LOWRY AND PUTTICK GROUP, which forms part of the Capital Chapman Group.

★

Mr Peter Wilkins has joined VELCOURT MANAGEMENT SERVICES as personnel director designate. He was regional training adviser for the Agricultural Training Board in the eastern region.

★

Mr John Dobby and Mr Richard Jewson have been appointed to the board of MEYER INTERNATIONAL. Mr William Doughty has been appointed a non-executive director. Mr Doughty is the group managing director of Cane Industries, chairman of the CBI London Regional Council, and a member of the CBI Council.

★

Three new directors have been appointed to the board of GUARDALL, Enfield, member of the Chubb Group—Mr Chris Shuttlewood, who becomes production director after nearly 25 years with the group; Mr John Horsfall, technical director, who joined the company in 1973 as technical manager, and Mr Bob Harris, financial director, who has been with Guardall for four years.

★

The PENINSULAR & ORIENTAL STEAM NAVIGATION CO has appointed Mr Alec K. Black as chairman and managing director of P & O deep sea cargo

Mr Alec Black, P & O deep sea cargo division chairman and managing director

division, which incudes P & O bulk shipping and associated bulk carriers. Mr Black is to be appointed to the board of P & O and to the board of Overseas Containers. Mr D. Hall is taking early retirement and has resigned as a director of P & O. Mr S. M. Carter has resigned as managing director of P & O deep sea cargo division.

★

Mr Kelvin Curran has been appointed director in charge of POINTON YORK'S commercial insurance division. He was managing director of Stewart Wrightson (Midlands).

★

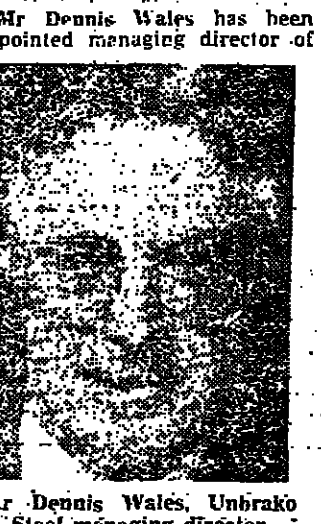
Rendel Palmer and Tritton has acquired from M. M. Dillon of Toronto the controlling interest in TRANSPORTATION PLANNING ASSOCIATES and its subsidiary Dillon Computing and Management Services. The new board will consist of Mr Peter A. Cox (chairman), Mr Terence M. Mulroy, Mr Peter J. Corfield, Mr Robin Cathcart, and Mr Andrew Sharp. Mr John Bonnett and Mr Geoffrey Formstone continue as associates.

★

The former managing director of Times Newspapers, Mr M. J. "Duke" Hussey, has been appointed chairman of RADIO WEST, Bristol. He remains a non-executive director of Times Newspapers.

★

Mr Dennis Wales has been appointed managing director of



Mr Dennis Wales, Unbrako Steel managing director

UNBRAKO STEEL CO, Sheffield. He was financial director and company secretary.

★

JAAKKO PÖYRY of Helsinki has appointed Mr Michael Buckley as managing director of Interforest (UK), London. The company is also associated with the Scandinavian Bank Group. For the past six years, Mr Buckley was managing director of Inchcape's subsidiary, Forest Marketing Services in Singapore

★

Mr Bill Wood has been appointed food controller of the NORTH EASTERN CO-OPERATIVE SOCIETY'S food division.

Mr Bill Wood, North Eastern Co-op food controller

He joins the Co-op from Fine Fare where he was north of Engl trading director.

★

Mr Edward Storey has been appointed to the board of FIDELITY as national accounts director. He joined Fidelity two years ago as general sales manager from Ingersoll Electronics where he was sales director.

★

Mr Granville Lidgett has been appointed director and general manager of DIVERSEY (FB). He was business development director.

★

Mr Richard Wright has been appointed director of personnel of REED INTERNATIONAL. He joined in 1959 and succeeds Mr A. J. Reed, who is leaving the company.

★

Mr Chris Gulliver has been appointed group market manager in the industrial division of JOHNSON WAX, a newly-created post. He was divisional chairman and director of corporate services at Brent Chemicals International.

★

The NATIONAL FREIGHT CONSORTIUM has accepted the resignation of Mr Brian Hayward, a director of the Consortium and group managing director of the national services group. He is to develop his interests in the musical and records worlds as well as supporting his son Mark's business in the conference and leisure management field. He is following medical advice in vacating his NFC post. Mr Jack Mather, NFC property group managing director, will now also become group managing director of NFC national services group, with the exception of its freight services division which will now report to Mr Dick Durran, managing director of National Carriers Parcels.

★

Mr Roderick Primrose and Mr Ian Scott have been appointed directors of HENDERSON UNIT TRUST MANAGEMENT. They were regional managers for the Scottish and Northern areas.

★

Mr I. C. Cotterill has been appointed controller, finance and planning at the FORWARD TRUST GROUP, consumer and asset finance subsidiary of Midland Bank.

★

Mr Edward L. Marsh has been appointed chairman of PARK STREET MANAGEMENT COMPANY, property management company of Taylor Woodrow Property Company. He has also been appointed a consultant to Taylor Woodrow Property Company and Taylor Woodrow California Inc on his retirement as a director of these two companies.

★

STURTEVANT ENGINEERING COMPANY has appointed Mr Alan Miller as chairman, having been managing director. Mr Anthony Coombe becomes managing director, having been deputy managing director and marketing director. Mr Michael Goldsmith, previously engineering manager, joins the board as technical sales director.

Economic Diary

TODAY: EEC Research Council meets in Brussels.

TOMORROW: Turkish general elections.

MONDAY: Credit business (September). Final retail sales (September). Provisional producer price index numbers (October). Informal meeting of the EEC Social Affairs Ministers in Athens. CBI annual conference in Glasgow until November 9. Mrs Margaret Thatcher to meet Irish Premier Dr Garrett Fitzgerald in London. Post Office Engineering Union's reconvened annual conference at the Winter Gardens, Blackpool. Electricians union conference at Norbreck Castle, Blackpool. Gulf Co-operation Council annual conference in Doha.

TUESDAY: Provisional estimates of monetary aggregates (mid-October). National Consumer Council publishes report on consumers and debt. Mrs Margaret Thatcher starts two-day visit to Bonn. Commons gives second reading to Trade Union Bill.

WEDNESDAY: Central Government transactions (including the borrowing requirement) (October). EEC Special Council (Greece) meets in Brussels (until November 12). TUC economic committee meets. President Reagan starts four-day visit to Japan.

THURSDAY: Provisional figures of vehicle production (October). NUM executive meets in Sheffield.

FRIDAY: Tax and price index (October). Retail prices index (October). Building Societies monthly figures (October). Usable steel production (October). London clearing banks' monthly statement (mid-October). Engineering industry pay talks in London.

Over-the-Counter Market

1982-83 High	Low	Company	Price	Change	Gross div.(p)	Yield %	Actual P/E	Fully taxed P/E
142	120	Ass. Brit. Ind. Ord.	125	—	6.4	5.1	7.3	10.2
158	117	Ass. Brit. Ind. CULS	133	—	10.0	7.5	—	—
[illegible]	[illegible]	Airsprung Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Armitage & Rhodes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Bardon Hill	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	CCL 11pc Conv. Pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Cindico Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Deborah Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Frank Horsell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Frank Horsell Pr Ord 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Frederick Parker	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	George Blair	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Ind. Precision Castings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Isis Conv. Pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Jackson Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	James Burrough	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Robert Jenkins	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Scruttons "A"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Torday & Carlisle	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Unilock Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Walter Alexander	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	W. S. Yeates	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Licensed Dealer in Securities

EUROPEAN OPTIONS EXCHANGE

Series	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	May Vol.	May Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: [illegible]

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option	Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
Brit. Petroleum (*434)						
360	76	—	—	5	—	—
390	46	60	66	6	12	18
420	24	38	46	15	24	30
460	7	18	26	42	48	[illegible]
Cons. Goldfields (*474)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds (*95)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Commercial Union (*176)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G.E.C. (*206)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met. (*325)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I. (*594)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Securities (*338)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Spencer (*201)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Transport (*664)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Imperial Group (*134)						
110	26	28	29	0½	1	2
120	15	19	20	0½	3	4
130	6½	10	15½	5	5	7
LASMO (*276)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho (*96)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O. (*257)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal (*207)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z. (*560)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs (*$92)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Dec.	Calls Mar.	Calls Jun.	Puts Dec.	Puts Mar.	Puts Jun.
Beecham (*318)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots (*321)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers (*$7.56)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guest Keen (*165)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson (*221)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco (*170)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Barclays Bank (*495)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Nov. 4. Total Contracts 2,415. Calls 1,935. Puts 480.
* Underlying security price.

Dow dips 9 on Fed's policy

NEW CONCERNS over Federal Reserve policy together with the report on the U.S. Money Supply drove stock prices lower on Wall Street yesterday.

By 1 pm the Dow Jones Industrial Average was down 9.35 to 1217.78, for a net loss of 5.70 on the week, while the NYSE All Common Index, at $93.83 shed 50 cents on the day and 45 cents on the week. In the broader market, losing issues held nearly a two-to-one lead over gains. Volume declined 4.18m shares to 57.56m, compared with 1 pm Thursday.

Analysts said the Stock Market experienced additional selling pressure after Salomon Brothers economist Henry Kaufman predicted that the Federal Reserve will tighten its monetary policy.

Kaufman, in a preliminary draft of Salomon Brothers' "comments on credit" publication, said the Fed tightening may occur as early as later this year, or in the first quarter of 1984.

Investors are also worried about economists predictions of a $1.1bn increase in the Money Supply, which will be announced after the market's close.

Pan Am Air led the consolidated active list, up $¼ to $7¼, a block of 1,520,600 shares traded at $7¼. Bankamerica, the second most active stock, held unchanged at $19.

Anheuser-Busch further declined $1¾ to $62½ in active trading. Active IBM were off $1¼ to $122¾.

Alcoa, another active issue, lost $⅞ to $41⅛. A block of 480,100 shares traded at $41.

Gulf Oil, which is engaged in a proxy fight with Mesa Petroleum, shed another $⅝ to $44⅛.

Tandy declined $2 to $37⅛, despite October sales up 10 per cent. Texas Instruments dipped $1⅞ to $124⅜ and NCR $1½ to $127⅛.

Greyhound eased $½ to $21⅛—it is being struck by its employees. It also reported lower third quarter results.

Closing prices for North America were not available for this edition.

THE AMERICAN SE Market Value Index was off 0.77 to 213.82, reducing its rise on the week to 1.37. Trading volume decreased 1.5m shares to 3.35m, compared with 1 pm Thursday.

Canada

Prices moved within a narrow range throughout the morning.

By mid-day the Toronto Composite Index slipped 2.4 to 2,402.1.

The Metals and Minerals shed 9.3 to 2259.0, Oil and Gas 16.1 to 3369.4, Utilities 1.10 to 314.00 and Banks 1.05 to 472.02. But Golds put on 21.0 to 3570.3.

Germany

Share prices posted heavy losses in hectic trading made increasingly nervous by escalating tension in the Middle East. Also affecting markets was news IBH Holding had applied for composition proceedings in the wake of the rescue package for private bankers Schroder, Muenchmeyer, Hengst und Co.

The IBH move took many dealers by surprise and prompted investors to liquidate positions ahead of the weekend.

This trend was boosted by belief the dollar is set to rise further in its role as a "safe haven" currency, after it climbed almost a pfennig in the morning to over DM 2.66.

The Commerzbank Index shed 8.50 to 994.90.

News that Ferdinand Von Galen, a senior partner in SMH, resigned as Frankfurt Bourse President did not depress prices significantly as it was widely expected, but added to the generally nervous tone, dealers said.

Banks were heavily affected, with Commerzbank DM 3.30 lower at 165.50. Deutsche Bank down DM 4 at 307.50 and Dresdner DM 1.70 off at 169.90. Bayernverein declined DM 5 to 309.

Allianz dropped DM 23.5 to 791.5—it is in the midst of a take-over bid for the UK insurance group Eagle Star.

In Motors, Daimler declined DM 11 to 661, VW DM 7.80 to 214.50 and BMW DM 5.40 to 407.80. Tyre maker Conti-Gummi were DM 6.40 lower at 118.50.

Siemens retreated DM 7.50 to 374.5, despite indications that a subsidiary may have landed a Turkish reactor contract. Brown Boveri, which might also share in the Turkish reactor plans, came back DM 6 to 212.

Tokyo

Slightly lower in thin trading, with "Populars" and Blue Chips losing ground, while Oils and some "Speculatives" advanced.

The Market Average lost 2.44 to 9,341.68. Volume 190m shares.

One dealer said that investors are taking a wait-and-see attitude and will be reluctant to trade actively until U.S. President Ronald Reagan visits Japan on November 9.

Some Foreign buying came to the market in the morning. But, unlike previous buying, overseas investors were picking up different types of stocks, not the Internationally known Blue Chips but "Secondary" Electricals, "Speculatives" and recent listings.

Car and Car Part shares declined on news that the U.S. House of Representatives passed a Local Content Bill which would affect car imports. The report more than offset announcement of an 8.89 per cent year on year rise in Japanese New Vehicle registrations in October.

Fuji Heavy Industries lost Y40 to 537 on the market view that its business prospects are poor. Matsushita Electric shed Y10 to 1,710, despite announcing it will pay a special Y2.5 extra dividend to mark its 65th anniversary.

Hong Kong

Prices closed at day's highs on fairly active Institutional buying.

Dealers also attributed the rise to absence of bearish factors, adding speculation over a further local interest rate cut was in the background.

The Hang Seng Index was up 22.78 at 889.49.

Australia

Firmer after a late rally. The All Ordinaries Index was up 1.2 at 688.9 and the All Industrial Index up 3.0 at 883.7.

Market speculation was that North Broken Hill, off 2 cents at $A3.10, has sold its 17 per cent stake in Dunlop, which were actively traded and also 2 cents down at $A1.45.

Uranium stocks traded nervously ahead of Monday's Labor Party Caucus meeting on the Industry. Pancontinental Mining declined 10 cents to $A1.30, ERA 8 cents to $A1.57 and Peko Wallsend 16 cents to $A5.74.

Golds were mainly weak after further losses on World Markets.

Paris

Mixed to low in moderately active trading.

The fear of worsening tensions in Lebanon because of the bombing of an Israeli Military Headquarters and subsequent Israeli reprisals discouraged many investors.

Also damping market sentiment was Wall Street's overnight fall and the Bank of France's decision Friday to raise the Call Money rate by ¼ percentage point to 12¾ per cent.

Switzerland

Domestic shares closed steady, despite profit-taking in recently favoured Chemicals and Insurances.

Trading was much less active than in previous days, with Foreigners and Domestic operators pausing for breath after the recent surge.

Amsterdam

Dutch stocks recovered from a weak opening to close narrowly mixed in moderate trading.

International issues led the upturn and the Financial sector also improved. Dealers said Foreign Institutional bargain hunters were beginning to nibble at "quality" Dutch stocks. At the same time, the possibility of Dutch Public Employee strikes was being taken more calmly.

KLM Airlines were off Fl 4 at 160.5, despite a 48 per cent rise in second quarter earnings.

In inactives Buehrmann-Tetterode rose Fl 1.7 to 50.7 on expectations of higher 1983 results.

CANADA

Stock	Nov. 3	Nov. 2
AMCA Intl.	22¾	22⅞
Abitibi	22	21¾
Agnico Eagle	14¾	14⅞
Alberta Energy	19⅛	19¼
Alcan Aluminium	45	45⅛
Algoma Steel	27¼	30
Asbestos	10¼	10⅛

DENMARK

Nov. 4	Price Knr %	+ or —
Aarhus Olie	479	
Andelsbanken	283	—2
Baltica Skand	530	+4
CopHandelsbank	265	—2
D. Sukkerfab	659xr	+10
Danske Bank	285	—5
East Asiatic	147	—5

NETHERLANDS

Nov. 4	Price Fls.	+ or —
ACF Holding	158	—1.5
Ahold	167	—1
AKZO	75.1	+0.1
ABN	340	—4.5
AMEV	131	+0.5
AMRO	56.6	—1.2
Bredero Cert.	178.5	—0.5

AUSTRALIA

Nov. 4	Price Aust. $	+ or —
ANZ Group	5.56	—0.02
Acrow Aust.	1.25	
Alliance Oil D.	0.9	+0.02
Ampol Pet.	1.87	
Aust. Cons Ind.	1.58	
Aust. Guarant.	2.68	+0.3
Aust. Nat. Inds.	2.6	+0.05
Aust. Paper	2.2	+0.05
Bond Hldgs.	1.18	—0.02

JAPAN (continued)

Nov. 4	Price Yen	+ or —
Konishiroku	638	—17
Kubota	307	
Kumagia	459	+7
Kyoto Ceramic	7,020	—40
Maeda Const.	521	
Makino Milling	1,250	—10
Makita	1,210	+10
Marubeni	273	—1
Marudai	598	—3

NEW YORK

Indices

NEW YORK ACTIVE STOCKS

هكذا منه للحول

FOREIGN EXCHANGES

Dollar improves

The dollar continued to improve in currency markets yesterday. There was little incentive to run short of dollars over the weekend with the prospect of a rise in U.S. M1 money supply this week and growing Middle East tension. The unresolved question of raising the U.S. debt ceiling also served to underpin the dollar amid fears of a bunching in the Federal refunding programme later this month. There were also indications of renewed economic growth, relieving the Fed of the need to cut interest rates.

The dollar rose to DM 2.6685 from DM 2.6545 with the D-mark depressed by repercussions following the recent rescue of a large private bank. It was also higher against the Swiss franc at SwFr 2.1690 from SwFr 2.1580 and FFr 8.1075 compared with FFr 8.0750. Against the yen it rose to Y236.45 from Y234.25. On Bank of England figures the dollar's index rose to 128.0 from 127.2.

Sterling was a little firmer overall, moving in line with a stronger dollar. Its trade weighted index rose to 83.9 from 83.7, having stood at 83.9 at noon and 83.8 at the opening. Against the dollar it eased to $1.4865-1.4875, down 25 points from Thursday's close in London. However because of the dollar's overall strength, sterling finished at DM 3.97 against the D-mark up from DM 3.9550 and SwFr 3.2275 compared with SwFr 3.2175. It was also higher against the French franc at FFr 12.0550 from FFr 12.0250 and Y352 from Y349.25.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU November 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9688	+2.38	+1.74	±1.5447
Danish Krone ...	8.14104	8.14998	+0.11	−0.53	±1.6425
German D-Mark	2.24184	6.88163	+0.10	−0.54	±1.0642
French Franc ...	6.87456	2.53540	+0.37	−0.27	±1.4052
Dutch Guilder ...	2.52595	2.28246	+0.92	+0.28	±1.4964
Irish Punt	0.72569	0.727156	+0.20	−0.44	±1.6699
Italian Lira	1403.49	1372.76	−2.19	−2.19	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Nov 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4840-1.4890	1.4865-1.4875	0.03-0.08c dis	−0.44	0.24-0.29dis	−0.71
Canada	1.8300-1.8370	1.8345-1.8355	0.02cpm-0.08dis	−0.20	0.06-0.16dis	−0.24
Nethlnd.	4.42½-4.45½	4.44¼-4.45¼	1½-⅞c pm	3.03	3¼-2⅞ pm	2.81
Belgium	80.20-80.70	80.45-80.55	6c pm-4 dis	0.15	4-14 dis	−0.45
Denmark	14.23-14.29	14.28-14.29	1.35-2.40ore dis	−1.57	5.30-6.45dis	−1.64
Ireland	1.2700-1.2800	1.2740-1.2750	0.30-0.40p dis	−3.29	1.05-1.15dis	−3.45
W. Ger.	3.94½-3.97½	3.96½-3.97½	1½-⅞pf pm	3.40	3½-2⅞ pm	3.15

THE DOLLAR SPOT AND FORWARD

Nov 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4840-1.4890	1.4865-1.4875	0.03-0.08c dis	−0.44	0.24-0.29dis	−0.71
Ireland†	1.1660-1.1695	1.1660-1.1670	0.26-0.23c pm	2.52	0.73-0.68 pm	2.42
Canada	1.2338-1.2349	1.2340-1.2345	0.06-0.04c pm	0.49	0.17-0.14 pm	0.50

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

EXCHANGE CROSS RATES

MONEY MARKETS

Revised shortage

UK clearing bank base lending rate 9 per cent (since October 4 and 5)

The Bank of England forecast a shortage of around £300m in the London money market yesterday but this was later revised to £400m and then to £450m. Factors affecting the market included maturing assistance and a take up of Treasury bills together draining £251m and a rise in the note circulation a further £237m. These were partly offset by Exchequer transactions of £150m and bankers' balances brought forward from Thursday £30m above target.

The Bank gave assistance in the morning of £326m, comprising purchases of £80m of eligible bank bills in band 2 (15-33 days) at 9 per cent and in band 3 (34-63 days) £29m of local authority bills and £58m of eligible bank bills all at 8 15/16 per cent. In band 4 (64-91 days) it bought £12m of Treasury bills and £147m of eligible bank bills at 8⅞ per cent. Assistance in the afternoon comprised purchases of £11m of local authority bills and £14m of eligible bank bills in band 1 (up to 14 days) at 9 1/16 per cent and £55m of eligible bank bills in band 2 at 9 per cent. In band 3 it bought £22m of eligible bank bills at 8 15/16 per cent and in band 4 £13m at 8⅞ per cent. Total help was £441m.

In the interbank market weekend money traded as high as 9¼ per cent before slipping away late in the day to 3 per cent.

LONDON MONEY RATES

Nov. 4 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits
Overnight	—	3-9¼	9-9½
2 days notice	—	—	9-9⅛
7 days or	—	—	—
7 days notice	—	9-9¼	9-9⅛
One month	9¼-9 3/16	9 5/16-9¼	9 3/16
Two months	9¼-9 3/16	9¼-9 3/16	9¼
Three months	9¼-9 3/16	9 5/16-9⅛	9¼-9 3/16
Six months	9¼-9 3/16	9⅜-9¼	9⅜
Nine months	9 9/16-9 15/32	9 9/16-9 7/16	9 9/16
One year	9 11/16-9⅝	9 11/16-9 9/16	9⅝
Two years	—	—	10¼-10⅜

ECGD Fixed Rate Export Scheme IV. Average rate for interest period October 5 to November 1 1983 (inclusive) 9.393 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞ per cent; four years 10⅞ per cent; five years 11 per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four months' bank bills 8⅞ per cent; four months' trade bills 9½ per cent.

Approximate selling rate for one-month Treasury bills 9 per cent; two months 8⅞-8 13/16 per cent; three months 8¾-8 11/16 per cent. Approximate selling rate for one-month bank bills 9 per cent; two months 8 29/32-8 13/16 per cent and three months 8⅞ per cent; trade bills one month 9 11/32 per cent; two months 9 11/32 per cent and three months 9 9/32 per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent from November 1 1983. London and Scottish Clearing Bank Rates for lending: 9 per cent. London Deposit Rates for sums at seven days' notice: 5½ per cent

Treasury Bills: Average tender rates of discount 8.8322 per cent. Certificate of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9½ per cent; one-three months 9¾ per cent; three-months 9¾ per cent; six-12 months 10 per cent. Under £100,000 9¾ per cent from October 6. Deposits held under Series 4-5 10 per cent. The rate for all deposits withdrawn for cash 8 per cent.

EURO-CURRENCY INTEREST RATES (Market closing rates)

OTHER CURRENCIES

Nov. 4	£	$		£ Note Rates
Argentina Peso	24.10-24.17	16.23-16.26	Austria	27.75-28.05
Australia Dollar	1.6295-1.6315	1.0970-1.0975	Belgium	80.95-81.75
Brazil Cruzeiro	1,244.7-1,251.5	838-842	Denmark	14.19-14.33
Finland Markka	8.4925-8.5200	5.7125-5.7145	France	12.00-12.12
Greek Drachma	141.00-141.60	94.90-95.20	Germany	3.94¼-3.98¼
Hong Kong Dollar	11.58¾-11.60¼	7.797-7.802	Italy	2375-2410
Singapore Dollar	3.17-3.18	2.1340-2.1360	Switzerland	3.20¼-3.23¼
Sth.African Rand	1.7285-1.7315	1.1625-1.1640	United States	1.47½-1.49½
U.A.E. Dirham	5.4525-5.4680	3.6720-3.6730	Yugoslavia	192-211

FT LONDON INTERBANK FIXING

(11.00 a.m. NOVEMBER 4)

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

REVIEW OF THE WEEK

World sugar price decline continues

BY OUR COMMODITIES STAFF

WORLD SUGAR values lost further ground this week as continuing favourable weather encouraged expectations that the supply/demand shortfall for 1983/84 will be much smaller than previously anticipated.

Despite rallying £7 yesterday the London daily sugar price finished the week £7 down at £137 a tonne. Meanwhile a £5.65 rise on the day left the March futures position £3.575 down on the week at £158.75 a tonne.

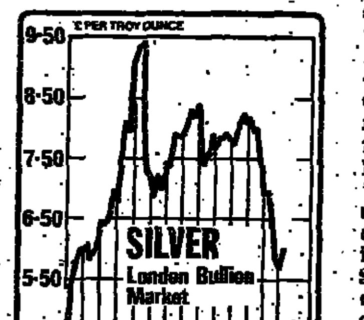
After F. O. Licht, the West German sugar statistical organisation, reported favourable conditions for lifting and transporting sugar in Europe of late influential London trade houses Gill and Duffus and C. Czarnikow issued supply/demand balance assessments much closer to parity than had been

Late plantings and the widespread summer drought had led to predictions earlier in the season that supply would fall short of demand by 3m tonnes or more. But Czarnikow now estimates the deficit at around 1m tonnes and Gill and Duffus at only 824,000 tonnes.

In its weekly market report Czarnikow pointed out that even its reduced estimated deficit was due to exceptional weather conditions. A return to normal conditions could herald a surge in production which was not likely to be matched by increased consumption, it said.

Yesterday's price rally mainly reflected technical short-covering following the falls earlier in the week, dealers said. News that a Brazilian delegation was in Moscow to discuss sugar exports to the USSR may also have encouraged the rise, they added.

Better demand for nearby and afloat supplies encouraged a stronger tone in the cocoa market. The March futures position on the London market ended £46.50 up at £1,468.50 a tonne



The Gill and Duffus market report, published a month later than scheduled because of the confused world supply demand position, indicated a modest production surplus in the 1983/84 season. This assessment, which contrasted with earlier projections of a substantial supply deficit, reflected generally improved weather conditions in major growing regions. Most notable was the Ivory Coast crop projection of 400,000 to 430,000 tonnes which compared with gloomy estimates of as little as 300,000 tonnes following drought and bush fires early in the season.

Metals prices remained under pressure in the absence of any new sign of an upturn in world industrial activity. Silver reached a 12-month low of 56.25 a troy ounce at one stage before ending the week 3.10p down at 599.05p on the London bullion market. This prompted a further fall of £17.50 to £919 a tonne in cash higher grade copper on the London Metal Exchange which was also encouraged by a further rise in LME warehouse stocks, the 13th in succession, to a new five-year high.

Copper's fall, in turn, encouraged declines in lead and zinc prices of £7.50 to £273 a tonne and £3.875 to £581.625 a tonne respectively.

Although the underlying mood continued bearish buying on behalf of the International Tin Agreement buffer stock kept tin prices about steady on the LME.

BASE METALS

Amalgamated Metal Trading reported that in the morning higher grade three months copper traded at £938, 38.50, 39.00. Cathodes: Cash £896. Kerb High Grade Three Months £939, 38.50, 39, 39.50, 39, 38.50.

Afternoon: Higher Grade Three Months £936, 36.50, 37, 38, 39, 39.50.

ALUMINIUM

Aluminium—Morning: Cash £1025.50. Three months £1050, 50.50, 51, 52, 51, 50.50. Kerb: Three months £1051. Afternoon: Three months £1049.50, 50, 51, 50.50, 50. Kerb: Three months £1051, 50.50, 50.

COPPER

NICKEL

TIN

SILVER

LEAD

ZINC

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
Nov	1854-35	−11.5	1844-35
January	1838-39	−10.0	1855-35
March	1796-97	−8.0	1805-95
May	1759-60	−2.5	1765-56

INDICES

FINANCIAL TIMES

Nov. 5	Nov. 2	M'th ago	Y'ar ago
285.66	285.66	288.26	228.98

(Base: July 1 1952=100)

REUTERS

MOODY'S

DOW JONES

GRAINS

RUBBER

COCOA

POTATOES

SOYABEAN MEAL

WOOL FUTURES

SUGAR

LONDON OIL SPOT PRICES

GAS OIL FUTURES

PRODUCTS—North West Europe CIF ($ per tonne)

Premium gasoline	296-302	+1.0
Gas oil	255-263	+2.0
Heavy fuel oil	171-175	—

Month	Yest'day's close	+ or —	Business Done
Dec	257.00	−0.75	259.25-57.00
Jan	257.00	−1.00	259.75-57.00
Feb	256.00	−1.00	258.25-56.00
Mar	250.75	−0.75	253.25-50.75
April	247.00	—	248.75-47.00
May	244.25	−0.25	246.25-44.25
June	244.00	−0.50	—
July	242.50	−1.00	—

Turnover: 2,373 (2,475) lots of 100 tonnes.

GOLD MARKETS

Gold rose $4¾ an ounce from Thursday's close in the London bullion market yesterday to finish at $382-382½. The metal opened at $383¾-384¼ and traded between a high of $385¾-386¼ and a low of $380¾-381. Early gains were eroded later in the day with little support after the opening of U.S. markets.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Nov	380.00-84.00	+7.00	—
Dec	383.60-84.10	+4.20	388.00-83.30
Feb	389.80-90.20	+4.40	394.00-31.30
April	396.00-96.70	+2.85	397.80-37.30
June	402.30-05.50	+6.40	—
Aug	408.80-04.90	+6.85	—

Turnover: 1,056 (881) lots of 100 troy ounces.

GOLD MARKETS

	Nov. 4		Nov. 3	
	Gold Bullion (fine ounce)			
Close	$382-382½	(£257-257½)	$377¼-378	(£253¼-253¾)

AMERICAN MARKETS

NEW YORK, November 4

Gold and silver put in a mixed performance with gold finishing lower on the day and silver higher as late profit-taking pared gains ahead of the money supply report which is anticipated to be higher. Copper attracted speculative buying interest on good support to silver along with expectations of cutbacks in production due to the current low prices. Sugar in volatile trade was unchanged to higher as support continued to develop on reports of further delays to the Philippine crop. Cocoa was basically steady with light Brazilian selling being offset by good speculative buying interest. Coffee continued to maintain a firm tone on continued buying by speculative interests. Cotton showed a generally firm tone in response to the higher than expected export sales report. Maize was strong on larger than expected Mexican purchases overnight and expectations for heavy export clearances in Monday's USDA report. Trade buying was also stimulated by bullish expectations for next week's crop report. Soyabeans firmed on active commercial buying due to heavy export sales figures. Heating oil retreated early in the session but recovered on increased Middle East tension and concern about low inventories held by middlemen in light of cold weather forecasts for the north eastern U.S., reports Heinold Commodities.

NEW YORK

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Nov	61.15	—	—	60.65
Dec	61.65	62.15	61.10	61.15
Jan	62.30	—	—	61.80
March	63.60	64.10	63.05	63.05

SUGAR WORLD "11" 112,000 lbs. cents/lb

	Close	High	Low	Prev
Jan	9.08	9.00	9.00	8.90
March	9.52	9.65	9.27	9.43
May	9.76	9.92	9.63	9.76
July	10.08	10.20	9.95	10.10
Sept	10.32	10.39	10.25	10.40

CHICAGO

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. Φ Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

Birmid Qualcast 7½pcLn 1987-92 £66½
Black and Edgington (Hldgs.) 72. 1pcPf (£1) 213
Blackwood Hodge 9pcLn 1985-90 £61 (2/11)
Blue Circle Inds. 5½pc2ndDb 1984-2009 £53½ (2/11). 7pcDb 1988-93 £76¼ (2/11) 9pcDb 1992-97 £85 ½. 10½pcDb 1994-99 £91 ¼ 2¼. 6½pcLn 1975 £52
Blundell Permoglaze Hldgs. 7¼pcLn 1990-1995 £67 (2/11)
Boardman (K. O.) Intnl. 5½pcPf (£1) 23 (1/11)
Boeing ($5) $38¼ (28/10)
Boosey and Hawkes 7pcPf (£1) 52 3
Bootham Engrs. (£1) 155
Boots 7½pcLn 1988-93 £78
Bowater 5½pcPf (£1) 49 50½. 3½pc1stDb

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

L—M

LRC Internat 8pcLn 1990-95 £71½

N—O

Q—R—S

T—U—V

Union International 6pcPf (£1) 35½ 7. 7pcPf (£1) 46 ½
United Newspapers 6pcPf (£1) 44

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

London County Free and Leas Prop 3¼pc 1stDb 1958-89 £89 (28/10). 6¼pc1stDb 1996-95 £77¼ (1/11). 7¼pc1stDb 1992-

Mid-Southern Water 4.2pcPf 1984-86 £87½ (31/10). 6½pcDb 1991-93 £78½Φ
Mid-Sussex Water 4.9pc £55 (2/11). 3.5pc Pf 1985-87 £78½

PLANTATIONS

... Estate (10p) 78 (31/10)
... Kenneth Kajang Rubber (10p) 418 (1/11)
...ghall (Rubber) Dev Syn (10p) 875 (1/11)
... Kellas Rubber Estates (10p) 198 203
... Selangor Rubber (10p) 412½ (31/10)
...sle Rubber Co (10p) 142 3 (28/10)
...rough Plantations (10p) 64 (28/10)
...g Senang Hldgs (10p) 83 (28/10)
...a Rubber (5p) 82 (31/10)
...iew Rubber Estates Berhad (M$1)
...nania Grp (10p) 440

RAILWAYS

...o and Lake Huron Railway Co ...c2ndMtgPerpBds (Cpn 219) £23
...ian Pacific 7¼pcPf (SerA) (C$10) 422 ...10). 4pcPf (C$3) 97 (28/10)
...o and Quebec Rlwy Co 5pcDb £41¼ (...10)
...to Grey and Bruce Rlwy Co 4pc1st Bds (2883) (Cpn 200) £28 (1/11)

SHIPPING

...onia Inv 6pcDb 1980-85 £93 (31/10)
... Ship A NV (£1) 540 (2/11)
... Ship 6½pcPf (£1) 51½ (28/10)
... and Oriental Steam Nav Co 5pcPf

UTILITIES

...ta Elect Supply Corp (India) Equity ...) 57 (28/10). 7½pcPf (R10) 25

WATER WORKS

UNLISTED SECURITIES MARKET

Flogas New (I£0.10) I£0.83 I£0.84 62 3 4 5
Freshbake Foods Group (5p) 72 4
Fuller Smith Turner A (£1) 480 (2/11)
Gilbert House Invests (10p) 20
Gould (Laurence) 111 (1/11)
Imtec Gp New (10p) 82 3 4 ½
Intervision Video (Hldgs) 7pcPf £1 106 10
Laidlaw Gp New (10p) 44 5 ½ 7
London Cont Advert Hldgs (8p) 37 (1/11)
Malomet Hldgs (10p) 71Φ 3Φ
Microgen Hldgs New (10p) 390Φ
New Court Natural Resources Wts 7 (2/11)
PCT Gp (10p) 157. New (10p) 155 (2/11)
Peters (Michael) Gp New 86 98 100 1 ½ 2 3 ½ 4 ¼ 5 ½ 6 7 ¼ 8 9
Rivlin Hldgs (5p) 59Φ
Technology for Business (10p) 82
Thorpac Gp (5p) 38
United Friedly Insurance B (10p) 205
Willaire Systems 3Φ
Woodchester Invsts New (I£0.20) 174½ 5 (2/11)

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

Amal Metal Corp (£1) 210 5 (28/10)
Ann Street Brewery (£1) 400 3 (31/10)
Arsenal FC (£1) £300 10
Aston Villa (1 vote) (£5) 500. 75 (1/11)
Biotechnology Inv ($US0.002) £12¼ ½
Blick Intrl 8pcLn 1984-86 £63pc (1/11)
Computers Hldgs 190 164 7
Channel Hotels & Props (10p) 25 6 (2/11)
CIC Inv (1p) 1⅛ 1 (31/10)
Comcl Bank of Wales (£1) 83 5 (2/11)
Dart Valley Light Rlwy (£1) 65

Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

AGI Intnl 100
AOG Minerals 12 (28/10)
Acmex Hldgs 47 (2/11)
Acorn Secs 49
Aetna Life and Casualty £24¼ (31/10)
Agnico-Eagle Mines 812½
Algoma Central Railway (£10¼Φ (2/11)
Allflex Hldgs 203 (2/11)
Alliance Oil Development 52
Ampol 165 (28/10)
American Can Co £29⅞ (2/11)
American Home Products US$53¼Φ (2/11)
American Standard £24½

Hong Kong and Kowloon Wharf and *Godown* 29½ (1/11)
Hong Kong Electric Hldgs 480 8 (2/11)
Hong Leong 11½
Hooker Corp 80
Hospital Corp of America £26
Indian Ocean Resources (1982) 520
Int Harvester 912½ (2/11)
Japan Fund 770
Jardine Matheson Finance 9½pcLn 1984-1995 £41½ (1/11)
Jardine Securities 63 (2/11)
Jardine Securities Warrants 90 (1/11)
Johnson and Johnson £34 (2/11)

McCarthy ...
McDonald's Corp ...
Meridian Oil 12 (28/10)
Midepsa Inc 30 (31/10)
Minneapolis Mining ... US$86 (31/10)
Monarch Petroleum 7
Morris (Philip) ...
Mount Carrington Mines ...
Murphy Oil Corp ...
Myer Emporium 104
NL Industries £10¼
Nationale-Nederlanden ...
Negri River Corp 120 ...

RULE 163 (3)

Dealings for approved companies engaged *solely in mineral* exploration.

Aran Energy New (Ir£0.20) (F/p) 47 50 1 2 ¼ 4
Bryson Oil and Gas (20p) 200 3 10
Kenmare Oil Expl (Ir£0.25) 8 (2/11)
Petuine Resources 30 1 (2/11)
Aran Energy New (Ir£0.20) (Nil pd) 60 2 3 4 5 ½ 6 7 8 9 9 (31/10)

(By permission of the Stock Exchange Council)

SHARE STAKES

Twinlock—Acco World Corporation on October 24 together with Acco International and Acco World UK, acquired 12.92m ordinary.

Steel Bros Hldgs—Bricomin Investments' interest increased from 5.66m to 5.75m (41.025 per cent).

Brown Shipley — UK Temperance and General Provident Institution has acquired 125,000 ordinary and holds 725,000 (6.1 per cent).

Hartons Group—By virtue of an acquisition of 155,000 ordinary at 24½p per share, Mr Max Maimann, his family and associates became interest in 16.77m ordinary shares (62.58 per cent). By virtue of a purchase of 65,000 ordinary included in the above amounts, Mr Michael Maimann has taken his interest to 3.45m ordinary shares (12.88 per cent).

Authorised Units—continued

Offshore and Overseas—continued

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey. 0534 27561
Schroder Money Funds Ltd

Sterling	£14.2627	....	—
U.S. Dollar	$26.6931	....	—
D-Mark	DM51.6304	....	—
Swiss Fr	SwFr51.2020	....	—

J. Henry Schroder Wagg & Co Ltd
120 Cheapside, EC2. 01-382 6000

Nass&ThNov2	$53.20	....	—

Standard Chartered Off Money Mkt Fd
PO Box 122, St Helier, Jersey. 0534 74454

Sterling	10.1296	+0.0023	—
U.S. Dollar	20.2508	+0.0047	—
Deutschemark	50.3213	+0.0032	—
Swiss Franc	40.1644	+0.0032	—
Japanese Yen	5042.6262	+0.7478	—

State St Bank Equity Hldgs NV
Car Mgt Co. 6 John B Gorsiraweg, Curacao

Target Trust Mngrs. (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 27441

Mgd Cur Fd	96.8	102.0	+0.1	—

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.

T-G Am	$21.72	....	—
T-G Money	$21.72	....	—
T-G E'bond	$15.41	....	—
T-G Com	$20.90	....	—
T-G Mort	C$20.11	....	—
T-G O'seas	$12.45	....	—
T-G Pacific	Y2.032	....	—
T-G Wall St	$25.79	....	—
T-G Gold	$9.61	....	—

United Fund Managers Ltd
16-18 Queens Road Central, Hong Kong. 5-231417

Insurances—continued

حكذا منه الأصل

Sasol seeks funds to buy out state

By Our Johannesburg Correspondent

SASOL, the South African oil-from-coal and chemicals company, is to raise an estimated R750m ($646.5m) by means of a rights issue to shareholders.

The company has still to announce the precise terms, but Johannesburg stockbrokers believe that the 187.5m shares Sasol says it will issue will be priced at R4 each. The issue will open on November 25 and close on December 9.

The purpose is to raise funds to buy the half of the equity in the Sasol Two oil-from-coal production facility which Sasol, the quoted company, does not own. Half of Sasol Two, as well as half of the Sasol Three facility, is owned by the state-owned Industrial Development Corporation (IDC) through Konoil, its wholly-owned subsidiary.

The cost of acquiring the IDC's share in Sasol Two is R2.62bn, of which R350m will come in cash from Sasol's existing resources. The net proceeds of the rights issue are expected to be about R500m (allowing for IDC's stake in Sasol). The balance of some R1.8bn will be paid to IDC over the next five years.

As IDC itself owns 30 per cent of Sasol's equity, stockbrokers estimate that the company will have to raise about R500m from the private sector.

Major institutional investors are expected to support the issue, according to Finansbank, Sasol's merchant banker. However, stockbrokers feel that the issue will draw money away from the stock market and lead to a period of quiet trading.

Brambles purchase

Brambles Industries, the diversified transport group, has bought Grace Brothers Removals and Transport, Australia's [illegible] household removals business, from Myer Emporium for an [illegible]

Peter Bruce traces the rapid rise of a construction equipment giant

How Esch made his rivals sit up

IN AUGUST last year, for the first time since he began picking up sick construction equipment companies in 1975, Herr Horst-Dieter Esch appeared to have stumbled. Negotiations to take over the construction equipment side of International Harvester broke down and with them, hopes of Herr Esch's IBH Holding, taking control of Harvester's worldwide leader network, its interests in West Germany, and plants in Chicago and Canada.

But the breakdown of the negotiations did little to take the shine off a takeover trail that Herr Esch, with just DM 2m ($755,000) in his pocket, began with the purchase of Zettelmeyer, a small, privately owned German manufacturer of wheel loaders and dozers, in 1975.

Zettelmeyer, like many of his future conquests, was on the brink of bankruptcy. He quickly followed that acquisition with the takeover of Duomat, another struggling German manufacturer, this time producing small compactors.

These first purchases came soon after Mr Esch had parted company with his employer, Blackwood Hodge, the big UK construction equipment distributor. At first, he was dismissed by insiders in the industry as an inexperienced speculator, as well as by the big German banks, which were probably worried about the strength of the young IBH balance sheet.

Herr Esch extracted himself from Blackwood Hodge after reportedly making some £250,000 ($372,500) trading Blackwood Hodge shares in 1974. He then put this money into IBH Baumaschinen Holding and persuaded a Swiss investment trust to back him.

The Blackwood Hodge connection probably helped, as did Herr Esch's own experience as a salesman. The Zettelmeyer range, for instance, quickly found its way into the Blackwood Hodge network. Yet it was only in 1979, when he first ventured beyond West Germany—into France to buy control of the Druppe wheel loader and compactor business from Poclain, Pingon, the hydraulic excavator and mobile crane producer and a compressor business—that his competitors began to sit up and notice.

Herr Horst-Dieter Esch

All of a sudden Herr Esch became the man to speak to if, like many big industrial groups, you wanted to get out of the construction equipment market, which was rapidly becoming overcrowded.

In 1980 and 1981, he bought control of Hymac from Powell Duffryn, Hanomag from Massey-Ferguson, Wibau and Terex, the big General Motors subsidiary. The price for relieving their owners of troublesome construction equipment divisions was inevitably an injection of new equity into IBH.

The only notable break with this tradition came last year when, instead of insisting on paying only "net equity value" (more often than not, nothing, as his targets were unprofitable) for Babcock International's construction equipment operation, IBH actually paid cash.

Babcock nevertheless ended up with a 10.1 per cent stake in IBH, joining both Powell Duffryn and General Motors as a shareholder.

There are unlikely to be many sighs of relief in the industry now that IBH is in such public difficulties. The entire industry is in a parlous state and many producers are either rationalising production or trying to get out all together.

Belgian chemicals group in second U.S. venture

BY PAUL CHEESERIGHT IN BRUSSELS

UCB, the Belgian pharmaceutical, chemicals and film group, is making its second foray into the U.S. chemicals market in a joint venture with Freeman Chemical, a unit of the H. H. Robertson Group of Pittsburgh.

The two are establishing a joint subsidiary called Radcure, UCB announced yesterday. Radcure will start by marketing resins curable by ultra-violet and electron beams, as a prelude to establishing its own plant.

The resins are used in printing inks, varnishes, coatings for printed circuit boards and in adhesives.

Radcure will be 51 per cent owned by Freeman and 49 per cent by UCB. Its products will initially come from a UCB plant just outside Brussels.

UCB noted yesterday that the market for the products is better than for those from UCB Chemicals Corporation, established in the U.S. last year. UCB Chemicals' output is dependent on the rubber and construction industries.

Hitherto only a tiny proportion of UCB chemical products have been sold in the U.S. Last year the group had net profits of BFr 8.72m ($16m), partly realised by the sale of assets.

Olivetti places shares with U.S. and Italian investors

BY JAMES BUXTON IN ROME

OLIVETTI, the Italian data processing equipment maker, has already place with U.S. investment funds and with the Italian concern, CIR, about half the remainder of the stake formally held in it by French state-owned companies.

Earlier this week, CIT-Alcatel, the French telecommunications and electronics group, took over 10 per cent of the 32.4 per cent of Olivetti built up by French companies since 1980 from other nationalised concerns.

At the time Sig Carlo de Benedetti, chairman of Olivetti, said part of the remainder of the stake would be bought within a few days by CIR International, subsidiary of the holding company which he controls.

Yesterday Sig De Benedetti said that about half of the remaining 22.4 per cent stake had already been placed, a "good part" of it with the CIR international and the rest with U.S. investment funds.

No further details were available last night. The total value of the 22.4 per cent stake would be about L823bn ($511m) on the basis of last night's closing price for Olivetti ordinary shares on the Milan stock exchange of L3,240.

Sharp rise in losses at Nippon Oil

By Yoko Shibata in Tokyo

NIPPON Oil Company, which together with affiliates is the largest refiner, supplier and distributor of petroleum products in Japan, suffered a sharp rise in net losses at parent company level in the first half of the financial year, to Y6.9bn ($29m) from Y1.6bn in the same period the previous year.

Recurrent losses for the six months to September rose to Y7.4bn from Y2.2bn on sales down 5.8 per cent, to Y1,534bn ($6.5bn) from Y1,628bn.

The company expects a sharp upturn in performance in the second half, however, helped by the recent appreciation in the yen in the foreign exchange market, and is looking for net profits for the full year, to March, of Y10bn, to compare with Y19.6bn in 1982-83.

Recurrent profits are expected to reach Y20bn, against Y40.9bn, though sales are expected to be down to Y3,200bn from Y3,523bn.

The extent of the first-half losses is blamed by the company on low prices for its products in the domestic market, as compared with the international crude oil prices.

Sales increased in volume in the half by 11.9 per cent to 23.6m kilolitres, the first such rise in four years, but the effect of this was offset by the lower selling prices.

The interim dividend is held at Y3 a share in spite of the losses, and the full year dividend is expected to be maintained at Y6.

Nissan-VW hopes

Nissan Motor Company of Japan said yesterday that it and Volkswagen, the German motor group, were considering widening their ties. Nissan has already agreed to produce VW's Santana car under licence, AP-DJ reports from Tokyo.

Air Canada chief resigns in anger

23

BY NICHOLAS HIRST IN TORONTO

MR RENE AMYOT, has resigned as chairman of Air Canada, the country's national airline. In a bitter resignation letter to Mr Lloyd Axworthy, the Transport Minister, Mr Amyot, a 56-year-old Quebec business lawyer, said he had been slandered in the House of Commons over his handling of a C$30m (US$24.3m) purchase of 194,000 sq ft of office space from Trizec Corporation for Air Canada's Montreal headquarters.

"Under the protection of parliamentary immunity, a member of the Conservative opposition at the Houes of Commons in Ottawa has slandered by name many times in spreading a false allegation, causing me considerable harm," Mr Amyot wrote.

Mr Amyot's resignation comes as a surprise. Earlier this week the Quebec provincial government said it had decided against taking any legal action against him over the deal for the new headquarters.

The Quebec government decision followed an 11-month investigation by the Royal Canadian Mounted Police into alleged irregularities in the way the building had been chosen. It was these alleged irregularities which had been raised by Mr Patrick Nowlan, a Conservative MP, in the Commons.

"It is impossible for me to record in this letter all the Calvaries that I have lived through," Mr Amyot wrote. "The most grotesque and far fetched insinuations about myself were reported on the front page of many media sources."

Victor Technologies plans further cuts in operations

BY LOUISE KEHOE IN SAN FRANCISCO

VICTOR TECHNOLOGIES, the California manufacturer of the Sirius personal computer, is scaling down its operations in the face of serious financial difficulties. The company, whose products lead the UK market for personal computers used in business, owes suppliers more than $14m and expects to report losses for the third quarter "substantially worse" than its second quarter $11.1m loss.

Victor announced on Thursday that it would be laying off 250 employees this week. The cuts include several managers and also affect the sales force. Victor has already halved its U.S. workforce, which numbered close to 3,000 in August.

The company's financial problems surfaced last month. Two suppliers, Tandon (which makes disk drives) and Xebec (a maker of disk drive controllers) announced they were owed money for large quantities of parts supplied to Victor from May to August.

Victor says that it has now formed a creditors' committee to work out a repayment schedule.

Victor's 43 per cent shareholder, Kidde, is also giving the company financial help, while last week Security Pacific Bank agreed to allow Victor "access to previously restricted cash receipts for certain ongoing operating requirements."

Victor's position in the highly competitive U.S. personal computer market is, however, precarious according to industry analysts. They blame the company's strategy of competing head-on with IBM.

In the European market, Victor is, however, expanding its sales and it now accounts for 65 per cent of the company's business.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

هكذا من الأصل

Leading shares conclude best week for a year with Index up 27.2 over five days

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Oct 17	Oct 27	Oct 28	Nov 7
Oct 31	Nov 10	Nov 11	Nov 21
Nov 14	Nov 24	Nov 25	Dec 5

*"New-time" dealings may take place from 9.30 am two business days earlier.

Leading shares concluded a very impressive week, the best in index terms for exactly a year, promising to continue the upward movement. This week's uninterrupted rise has taken the FT Industrial Ordinary share index up 27.2; yesterday it soon regained an early loss to close a net 3.6 higher at 718.3, the best since August 26.

Blue chip industrials have in fact advanced for eight out of the past nine trading sessions. Institutional operators have committed funds following a succession of mildly encouraging views on the economy. Recent official predictions of a lower rate of inflation have also made for optimism, although some analysts doubt the figures suggested.

Smaller investors have not been idle and the combined demand has led to continuous rise in values, creating stock shortages in many market areas. Yesterday's advance was a good example of this. Dealers marked prices down initially in sympathy with overnight New York, but the manoeuvre instead of activating profit-taking attracted fresh demand. A squeeze on short positions was quick to develop as professionals attempted to either cover or close their commitments, and values responded accordingly.

Special situations again claimed a fair amount of attention, none more than Financials which have witnessed unprecedented events this week. Eagle Star received the largest-ever UK bid, BAT Industries offering £796m by way of a 575p per share cash offer. This is 75p per share more than the bid from Allianz, which has a near-30 per cent stake in ES. Merchant banks have prospered since Thursday's announcement of the proposed merger of Charterhouse with Rothschild and Northern Investment Trust.

Talk yesterday of a favourable broker's circular in a Banking sector experiencing some relief from recent fears of Latin-American debt problems helped the UK clearing banks recover lost ground. Investment demand was fairly persistent and closing gains ranged to an impressive 31.

Concern about the uncertain state of the U.S. bond market and the impasse over the Treasury debt ceiling continued to inhibit proceedings in the gilt-edged market. Fears that the Treasury's financing plans will now have to be compressed into a shorter period of time, putting upward pressures on interest rates deterred potential gilt-edged investors Most were content to await announcement of this week's U.S. money supply figures, released after Friday's Wall Street close. Quotations therefore drifted a shade lower with falls at the longer end of the market ranging to ½. Shorter maturities closed on a more mixed note.

Banks revive strongly

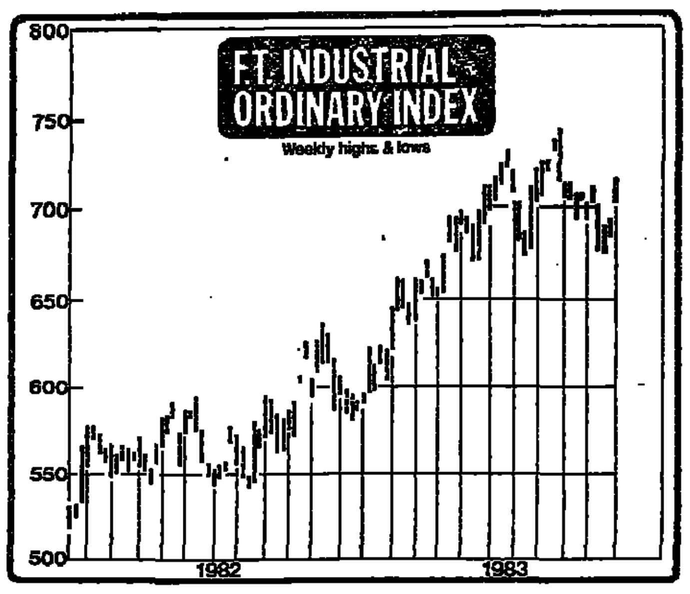
The major clearing banks staged a strong revival as worries about the international debt situation receded. Lloyds, with sizeable South American interests, were outstanding with a gain of 31 to 483p, while Barclays advanced 25 to 455p. Midland and NatWest both rose 11, to 393p and 603p respectively. Royal Bank of Scotland put on 6 to 133p and, among overseas banks, Standard and Chartered firmed 12 to 430p. Discount Houses continued to draw support ahead of the interim dividend season. Cater Allen, half-timer next Tuesday, rose 10 to 393p, while Union Discount gained 15 to 573p Merchant Banks, still influenced by the Charterhouse/RIT and Northern merger, made fresh progress. Mercury rose 10 to 445p and Henry Ansbacher 8 to 83p, the latter on speculative interest.

Eagle Star touched 604p before closing 8 higher on balance at 598p with American buying reported. Bats put on 7 to 161p. Life Insurances encountered fresh support drawn in talk of a broker's circular. Pearl advanced 6 to 690p, Hambro Life 8 to 432p and Equity and Law Life, 22 in a thin market to 702p. Among Lloyds brokers, Hogg Robinson attracted speculative interest and rose 4 to 130p, but Sedgwick, a few pence better initially, came on offer late and closed 6 down on balance at 205p.

Burton buoyant

Investors continued to show a selective interest in Buildings. Taylor Woodrow edged up 5 to 560p and Marchwiel firmed 6 to 190p, while Edward Jones, aided by favourable Press comment, added a couple of pence at a 1983 peak of 43p. Derek Crouch responded to the efforts of one buyer by rising 5 to 60p, but IDC shed that much on profit-taking to 118p. London Brick remained at 104p; the group is to marginally increase total output by doubling production of non-fletton bricks, not fletton as reported here yesterday.

ICI encountered another good two-way business and, helped by renewed U.S. demand late, closed 6 higher at 592p. Among other Chemicals, Laporte put on 5 more to 310p for a gain on the week of 23 influenced by the company's promotional meetings with brokers. Revived demand in a thin market lifted Allied Colloids 8 to 280p, while occasional buying left Yorkshire Chemicals 4 dearer at 78p. Apprehensions over the interim results, due later this month, left Amersham International 4 lower at 231p.



Renewed optimism about pre-Christmas consumer spending prompted an active session among leading Retailers. Although some issues closed below the day's best, dealers again reported an encouraging underlying trend. Burton were particularly buoyant and touched 362p before settling a net 12 higher at 360p; last year the preliminary results were announced on November 23. Sympathetic gains were noted in J. Hepworth, which revealed excellent annual results earlier in the week, up 6 for a gain on the week of 10 to 200p, and Austin Reed A, 9 better at 141p. Marks and Spencer continued to rally behind the interim statement and closed 3 up at 212p. Steady support was also apparent for Woolworth, 4 dearer at 276p, and for British Home, 3 firmer at 214p.

Special situations provided a few noteworthy movements among second-line Stores. A. Goldberg were outstanding at 80p, up 8, following the 71 per cent interim profits expansion. Mellins, extremely volatile earlier in the week, announced a slightly reduced interim loss and despite the encouraging tenor of the accompanying statement eased 2 to 70p. Tern-Consulate disappointed in revealing a first-half deficit and fell 3 to 35p, while a similar loss was sustained by recent speculative favourite Kraft Productions, 95p. Bremner, on the other hand, added 4 for a two-day gain of 13 to 53p; the Fraser Foundation and the Emily Fraser Trust now control almost 15 per cent of the equity capital. Fortnum and Mason improved a half-point to £13½ *following the mid-term* statement.

Leading Electricals rallied from an easier opening. GEC, a good market since a recommendation by Merrill Lynch, settled without alteration at 204p for a rise of 17 on the week. Elsewhere, Ferranti were wanted and gained 20 to 585p, while United Scientific advanced 20 to 375p in a market none-too-well supplied with stock. Press mention lifted Amstrad 10 to 460p, Cray Electronics closed similarly higher at 153p following the announcement of a technology license agreement with Coastcom Inc. of California. Comment on the interim figures directed fresh attention to CASE, 10 up at 420p, but nervous offerings ahead of Monday's half-year results left Electrocomponents 13 cheaper at 230p. Unitech were also dull at 203p, down 7, on talk of a large line of stock overhanging the market.

Still reflecting nervousness about the Schroder Munchmeyer Hensgt/IBH financial problems, Babcock International closed 6 down at 138p, after 131p, and Powell Duffryn 10 off at 228p, after 225p. Elsewhere in Engineers, Adwest responded to the encouraging tenor of the chairman's annual statement with a rise of 10 to 210p. Nervous offerings left Blackwood Hodge 3½ down at 8p, while Butterfield Harvey eased 3 more to 26p on termination of the bid talks with Ango Nordic. Clyde Blowers held at 134p after the preliminary figures.

Leading Foods were a shade cheaper initially, but picked up to close with modest gains. J. Sainsbury hardened 3 to 428p awaiting next Wednesday's interim statement, while Associated Dairies improved 2 to 140p. Tesco, interim results due on November 16, also added 2 at 170p. Comment drawing further attention to the buoyant tea price *stimulated fresh interest in* Brooke Bond, which added a couple of pence at 76p. Elsewhere, buyers showed interest in Paterson Jenks, 3 dearer at 155p, and Hillards, 6 firmer at 238p.

Garfunkels Restaurants gained 12 to a 1983 peak of 175p reflecting business effected late on Thursday. Prince of Wales Hotels edged up a couple of pence to *a high for the year of 127p*, while casino concern Stakis added the same amount at 77p.

ACT advance

Inclined easier initially in sympathy with the overnight Wall Street, leading Miscellaneous Industrials rallied and usually settled a few pence firmer on balance. Further demand ahead of next Thursday's interim figures left Allied Computer up 15 more at 390p. Still reflecting hopes for the company's new ceramic alloy, Cookson improved 7 more to 205p for a two-day rise of 17. Speculative demand prompted a gain of 10 to 102p in Erskine House, while Royal Worcester rose 14 to 322p awaiting developments in the bid situation with Crystalate. British Aerospace revived with a gain of 5 to 181p, but Biddle Holdings were a dull market and fell that amount to a new low for the year of 110p. Consultants advanced 40 to 600p on renewed buying interest, while Fisons improved 11 to 696p and Hanson Trust went higher to close 6 dearer at 222p. Occasional demand in front of next Monday's half-year figures left Ferguson Industrial 8 up at 128p. Other bright spots included Sidlaw, 10 better at 390p, Davies and Newman, 8 higher at 153p, and Smith and Nephew, 4 up at 152p. Hunting Associated hardened a couple of pence more to 197p following comment on the interim figures.

Horizon Travel, having led this week's rally in Holiday shares, encountered profit-taking and came back 7 to 135p. Saga Holidays, however, added 3 more at 103p and Intasun improved a couple of pence to 144p. Juliana's, still reflecting the acquisition of the exclusive London nightclub Raffles, rose another 20 to 380p. Pineapple Dance Studios, at 120p, recovered 5 of the previous day's fall of 8 which followed the rights issue.

British Car Auction continued to attract persistent support on the back of the full-year results and scrip issue and, with sentiment additionally bolstered by Press comment, rose 3 for a gain on the week of 24 to 222p. Hartwells, 84p, and Godfrey Davis, 74p, firmed 2 and 3 respectively; both are due to announce interim figures shortly. Elsewhere in Motors, Flight Refuelling, still responding to the excellent first-half results, added 3 for a five-day of 20 to 215p. Lucas, annual *results on Monday, hardened a* penny to 148p, after 149p.

Delyn Packaging rose 4 to 92p, after 94p, in response to increased first-half earnings and return to the interim dividend list.

Leading Properties resumed their advance with Land Securities rising 5 to a 1983 peak of 337p ahead of the interim results, due on November 14. MEPC, preliminary statement scheduled for the end of the month, also gained 5 to a high for the year of 243p. Reports that British Land was in negotiations with George Wimpey to acquire a number of property interests for more than £60m unsettled both concerns; the former shed 3 to 90p, while the latter, a good market recently on rumours of possible property sales, slipped to 135p before closing a penny off at 136p. Stock Conversion, joint owners of one of the properties that could go to British Land, closed without altera at 290p, after 285p. Elsewhere, Estates Property Investment hardened a couple of pence to 162p; Clabir International NV has built up a 14.98 per cent stake in the company. Buyers came for Brixton Estate, which added 3 at a 1983 peak of 118p, while Westminster and Country attracted speculative interest and rose 4 to 110p. Abaco touched 17p before settling a fraction dearer on balance at 16p following the full-year figures and the Board's optimistic statement.

Further consideration of the proposed merger lifted Charterhouse a couple of pence more to 109p, and RIT and Northern a penny to 237p; the latter's Warrants eased 2 to 87p. Financials generally displayed moderate gains, Mills and Allen, 325p, and Exco International, 528p, firmed 10 and 5 respectively while Britannia Arrow were quoted 4 dearer at 79p ex-rights issue; the new nil-paid opened at 2p premium, eased to 1½p premium and rallied to finish at 6p premium. Park Place attracted a brisk trade in the wake of the chairman's encouraging statement at the annual meeting and improved 11 to 218p. Oceana Consolidated hardened a penny to 54p following the sharply increased full-year profits, while Henderson Administration, interim figures due towards the end of the month, closed 10 to the good at 364p.

Irish Sea exploration issues returned to popularity and in active trading Atlantic Resources soared to 700p before closing a net 50 up at 685p. Aran Energy ended 5 higher at 59p, after 61p, after 61p. Elsewhere, Saxon attracted buyers ahead of a drilling report and closed 26 up at 233p, while improvements of 15 and 20 respectively were seen in Cambridge Petroleum, 285p, and Caledonian Offshore, 195p. The oil leaders passed a quieter session. Most rallied from a lower opening to close mixed with Shell 4 easier at 554p.

Golds Rally

The sell-off in Golds which began on the previous afternoon continued yesterday morning. A minor rally developed after the opening of U.S. markets, however, with the dollar prices of Golds firm in contrast to the general tenor on Wall Street.

This led to a sharp marking up of quotations in London and, helped by signs of buying interest from U.S. investors, the Gold Mines index recovered to close at 484.8, a rise of 18.6 on the day for a net gain of 9 on the week.

Market favourite Randfontein Estates led the way higher among the heavyweights, with a gain of 3⅞ to £74⅞. St Helena, at £32½, were 2½ to the good.

Gains elsewhere were generally between one and two points, as in Winkelhaak, at £22½, Buffels, at £29, Driefontein, at £18½, Hartebeest at £39, Kloof, at £28, Southvaal, at £33⅝, Vaal Reefs, at £62¼, Western Deep, at £29½, Free State Geduld, at £23¼, President Steyn, at £26¼, and Western Holdings, at £28¾. On balance, most of leading issues were slightly better over the week.

Bullion was finally $4¾ higher at $382⅞.

Gold-based Financials were also better where changed, as in Anglo American Gold, 1¼ firmer at £65¼, and Anglo American itself, ¼ better at £10⅜. UC Investments gained 25 to 950p; the shares start trading on Monday under the new name of Gencor Investment Corporation after the merger with Sentrust.

Diamonds were quiet, but De Beers closed 10 to the good at 498p after a distinctly nervous week, while the only feature in Platinums were Rustenburg, 5 lower at 625p in spite of the improving metal price.

Elsewhere, MTD Mangula put on 2 to 15p awaiting Monday's preliminary statement.

Charter continued to edge downwards and were finally 3 lower at 225p. Rio Tinto-Zinc gave up 8 on renewed fears for the copper price, but Consolidated Gold Fields finished 2 firmer at 472p.

Activity in Traded Options again centred on ICI which, with the aid of sizeable U.S. support for the underlying security, recorded 778 calls, 527 of which were struck in the January positions, and 46 puts. Barclays attracted a brisk business with 184 calls and 188 puts transacted; the November 460 calls rose 7 to 12p. GEC continued to respond to the recent "buy" recommendation from U.S. broker Merrill Lynch and attracted 382 calls, the January 220's accounting for 214. Total contracts amounted to 2,415 and the week's daily average to 2,975.

FINANCIAL TIMES STOCK INDICES

	Nov. 4	Nov. 3	Nov. 2	Nov. 1	Oct. 31	Oct. 28	Year ago
Government Secs.	82.02	82.34	82.22	82.34	82.07	81.70	85.01
Fixed Interest	85.06	85.17	85.15	85.16	84.88	85.16	86.50
Industrial Ord.	718.3	714.7	707.8	706.2	703.1	691.1	626.9
Gold Mines	484.8	466.2	477.9	444.6	461.3	475.8	385.5
Ord. Div. Yield	4.76	4.78	4.82	4.84	4.84	4.90	4.92
Earnings, Yld.% (full)	9.43	9.47	9.55	9.59	9.59	9.72	10.55
P/E Ratio (net) (*)	13.25	13.18	13.07	13.01	13.01	12.84	11.87
Total bargains	19,004	20,160	21,002	21,067	21,014	18,547	25,218
Equity turnover £m.	—	215.94	221.41	203.57	202.89	207.19	188.25
Equity bargains	—	16,686	16,818	18,157	16,110	17,156	20,671
Shares traded (ml)	—	124.4	152.8	133.6	127.6	142.0	120.3

10 am 712.4. 11 am 716.3. Noon 717.8. 1 pm 718.1.
2 pm 718.8. 3 pm 719.0.
Basis 100 Govt. Secs. 15/1/28. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.
Latest Index 01-246 8026.
Nil = 12.45.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.60 (13/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	85.17 (3/11)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	444.6 (1/11)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Nov. 3	Nov. 2
Daily		
Gilt Edged Bargains	160.8	177.8
Equities Bargains	108.1	109.0
Value	456.5	447.5
5-day Avrge		
Gilt-Edged Bargains	157.0	154.2
Equities Bargains	110.0	107.5
Value	494.5	405.0

LEADERS AND LAGGARDS

Percentage changes since December 31 1982 based on Thursday, November 3 1983

Newspapers, Publishing	+48.10
Other Industrial Materials	+47.88
Chemicals	+45.19
Shipping and Transport	+43.08
Motors	+42.07
Packaging and Paper	+38.13
Office Equipment	+36.99
Oils	+36.38
Insurance (Composite)	+34.85
Other Groups	+33.07
Other Consumer	+32.53
Merchant Banks	+31.88
Insurance (Life)	+27.62
Financial Group	+24.19
Investment Trusts	+22.36
Leisure	+21.73
Textiles	+21.29
Overseas Traders	+21.19
Property	+20.15
Banks	+18.38
All-Share Index	+16.27
Food Retailing	+15.81
500 Share Index	+14.20
Insurance Brokers	+13.90
Mining Finance	+13.60
Industrial Group	+10.42
Discount Houses	+10.05
Health and H'sehold Products	+ 9.00
Consumer Group	+ 8.82
Building Materials	+ 8.39
Stores	+ 7.04
Food Manufacturing	+ 6.78
Metals and Metal Forming	+ 5.24
Capital Goods	+ 4.59
Tobaccos	+ 3.16
Brewers and Distillers	− 1.26
Electricals	− 1.59
Mechanical Engineering	− 2.87
Engineering Contractors	− 4.66
Contracting, Construction	− 6.06
Gold Mines Index	−16.23

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Oct 24	Nov 4	Jan 26	Feb 6
Nov 7	Nov 18	Feb 9	Feb 20
Nov 21	Dec 2	Feb 23	Mar 5

For rate indications see end of Share Information Service

Quieter conditions prevailed in Options where calls were arranged in GEC, General Oriental, Brown Shipley, Argyle Trust, Rank Organisation, British Benzol, Duport, Edward Jones, London and Liverpool, Armour Trust, P & O Deferred, North Kalgurli, London Brick, Dunlop and Combined Technologies. No puts were reported, but a double was struck in Eagle Star.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	7	68	26	239	126	140
Corporations, Dom. and Foreign Bonds	15	5	57	102	29	256
Industrials	255	225	904	1,567	904	4,453
Financial and Props.	162	45	318	735	256	1,635
Oils	34	24	57	142	109	324
Plantations	—	6	14	15	19	68
Mines	53	39	73	291	270	340
Others	49	59	62	298	176	369
Totals	575	471	1,511	3,318	1,888	7,583

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Aran Energy	59	+ 5	ICI	592	+ 6
Atlantic Res.	685	+50	Lloyds Bank	483	+31
Babcock Intl.	138	− 6	Park Place Invs.	218	+11
Barclays Bank	455	+25	Powell Duffryn	228	−10
Burton	360	+12	RTZ	562	− 8
Eagle Star	598	+ 8	Sedgwick	205	− 6

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Nov 4 1983: Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Nov 3 Index No.	Wed Nov 2 Index No.	Tues Nov 1 Index No.	Mon Oct 31 Index No.	Year ago (approx.) Index No.	1983 High	1983 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (203)	450.18	+0.2	9.22	3.92	13.98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri Nov 4	Day's change %	Thur Nov 3	xd adj. today	xd adj. 1983 to date
British Government					
1 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 All Stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Debentures and Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Fri Nov 4	Thur Nov 3	Year ago (approx)	1983 Highs	1983 Lows
British Government					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value
[illegible]	[illegible]	[illegible]

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
CONSTITUENT CHANGE: Sotheby Park Bernet Group (46) has been deleted and replaced by Oxford Instruments Group (4).

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (64)

BRITISH FUNDS (1)
Exch 3pc 1984
INT BANK & O'SEAS GOVT STLG ISSUES (1)
Sweden 13½pc Ln 2010
CORPORATION LOANS (1)
LCC 5½pc '82/84
LOANS (4)
Inv in Ind 7¼pc A Deb '89/92; Nationwide 11¼pc 20/8/84; Do 9pc A '91/94; Do 11pc 3/9/84
AMERICANS (3)
Campbell Soup; TRW Inc; Cons Foods
CANADIANS (1)
Bell Canada
BANKS (2)
Bank Leumi (U.K.); Gerrard & Nat'l
BUILDINGS (2)
Jennings Inds; Jones (Edward)
STORES (4)
Bremner; Ramar Textiles; Hepworth (J.); Stirling
ELECTRICALS (1)
Memec
ENGINEERING (2)
Neill (James); Spencer Clark
FOODS (1)
Brooke Bond
HOTELS (2)
Garfunkels Rests; Prince of Wales
INDUSTRIALS (11)
Bridport-Gundy; Cysco (J. & J.) A; Caparo 8¾pc Cnv Cum Red Prf; Hartons; Lilleshall; Consultants (C. & F.); Sale Tilney; Copydex; Scott & Robertson; Duport; Williams (J.)
INSURANCE (2)
Phoenix Assur; Sun Alliance
LEISURE (4)
HTV N/V; Pleasurama; LWT A; Trident TV A
MOTORS (1)
Brit Car Auction
PAPER (1)
Cropper (James)
PROPERTY (11)
Brixton Ests; MEPC; Centrovincial Ests; Mountleigh; Ests Prop Inv; Prop Hldg & Inv; Laing Props; Prop Sec Inv; Do 8½pc Ln 2000/05; Slough Ests; Land Secs
SHIPPING (1)
P. & O. Defd
SHOES (1)
Headlam, Sims
TEXTILES (1)
Crowther (J.)
TRUSTS (3)
RIT & Northern Investment Co; Park Place Inv
OILS (3)
Caledonian Offshore; Cluff Oil Cnv A; Claremont Pet

NEW LOWS (15)

BUILDINGS (1)
Milbury
STORES (1)
Bakers Household
ENGINEERING (2)
Blackwood Hodge; Spirax-Sarco
INDUSTRIALS (5)
Assoc Brit Eng; Parker Knoll A; Biddle; Ricardo Cons Eng; Metal Sciences
SHIPPING (1)
Lyle Shipping
TEXTILES (1)
Lowe (Robert H.)
OILS (1)
Tri-Basin Res
MINES (3)
Falcon; Samson Expl'n; Black Hill Minerals

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
RIT & Northern	20	238	+33	Shell Transport	12	558	+12
Peters, M. New	17	103	—	Beecham	11	315	+ 8
Logica New	16	228	—	BP	11	424	+ 6
Eagle Star	13	590	+ 5	CASE	11	410	+25
BPB Industries	12	350	+ 8	Fleet Holdings	11	109	+ 2
Charterhse. Gp.	12	107	+13	Rank Org.	11	188	+ 4
RTZ	12	570	− 8	Ultramar	11	602	+ 2

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ended Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
ICI	112	586	+10	Bula Res.	73	24½	+ 1½
Eagle Star	95	590	+55	Mks. & Spncr.	73	209	+ 1
GEC	87	204	+16	RTZ	68	570xd	+13
Glaxo	83	745	+13	BTR	67	548	+23
Fleet Holdings	76	109	− 5	Shell Transport	67	558	+20
Cluff Oil	75	90	+33	Beecham	66	315	+10
GUS "A"	75	580xd	+16	Grand Met.	65	323	+ 3

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
§10	F.P.	7/10	24	20½	‡A. & M. Hire 10p	23½	+1	b0.1	11.1	0.6	14.2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

هكذا منه الأصل

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Nov 1	169.2	178.2	—	—
British Nov 1	125.4	132.0	—	—
Commodity Nov 1	118.0	124.3	—	—
Extra Inc Nov 1	113.8	119.8	—	—
Far Eastern Nov 1	103.0	108.5	—	—
High Inc Nov 1	110.5	116.4	—	—
Income Nov 1	139.2	146.6	—	—
Global Strategy Nov 1	168.9	177.8	—	—
Special Sits Nov 1	125.8	132.5	—	—
Gilt Nov 1	104.1	109.6	—	—
Japan Nov 1	155.3	163.5	—	—
UK Small Co's Oct 25	119.1	125.4	—	—
Man Gwth Nov 1	144.3	151.9	—	—
Austra. Nov 1	108.3	114.0	—	—
Oil & Energy Nov 1	112.2	118.2	—	—
Gold Share Nov 1	66.5	70.1	—	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	64.2	68.1	—	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Oct 15	59.8	64.4	—	—
MM Flexible Oct 6	50.8	53.5	—	—
Fixed Interest Oct 1	55.6	58.6	—	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	287.1	—	+0.4	—
Invest. Tst. Fd. Acc.	394.6	—	+0.5	*32.6
Property Fund Cap.	117.7	—	+0.1	—
Property Fund Acc.	124.5	—	+0.1	*4.5
Flexible Fund Cap.	180.2	—	+0.6	—
Flexible Fund Acc.	190.5	—	+0.6	*4.6
Fixed Int. Fd. Cap.	141.1	—	—	—
Fixed Int. Fd. Acc.	149.4	—	—	—
Gtd. Deposit Fd. Cap.	139.1	—	—	—
Gtd. Deposit Fd. Acc.	146.1	—	—	—
Equity Fund Cap.	129.1	—	+0.8	—
Equity Fund Acc.	136.1	—	+0.8	—
International Fd. Cap.	134.5	—	-0.5	—
International Fd. Acc.	141.8	—	-0.5	—
Capital Gwth. Fd.	412.9	—	+2.9	—
Moneymaker Fund	169.0	—	+0.4	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		289.2	—	—
Property Fund (A)		281.2	—	—
Agricultural Fund		1,117.0	—	—
Agric. Fund (A)		1,087.4	—	—
Abbey Nat. Fund		229.8	—	—
Abbey Nat. Fd. (A)		228.8	—	—
Investment Fund		136.5	—	—
Investment Fund (A)		133.5	—	—
Equity Fund		408.6	+0.6	—
Equity Fund (A)		401.1	+0.7	—
Money Fund		217.0	+0.2	—
Money Fund (A)		213.0	+0.2	—
Actuarial Fund		213.6	—	—
Gilt-edged Fund		192.3	+0.4	—
Gilt-Edged Fd. (A)		192.3	+0.4	—
Retire Annuity		354.0	—	—
Immed. Ann'ty		192.7	—	—
International Fd		252.8	—	—
Bldg. Soc. Life Fd		305.2	—	—

Property Growth Pensions & Annuities Ltd.

All W'ther Ac. Uts	245.4	258.3	—	—
Inv. Fd. Uts.		269.6	—	—
Pension Fd. Uts.		254.6	—	—
Conv. Pens. Fd.		294.6	—	—
Cnv. Pns. Cap. Ut.		220.8	—	—
Man. Pens. Fd.		324.5	—	—
Man. Pens. Cap. Ut.		252.3	—	—
Prop. Pens. Fd.		283.2	—	—
Prop. Pens. Cap. Uts.		214.1	—	—
Bldg. Soc. Pen. Ut.		256.0	—	—
Bldg. Soc. Cap. Ut.		194.4	—	—
Gilts Pens. Fd.		171.1	-0.4	—
Gilts Pens. Fd. Cap.		149.3	-0.6	—
Equity Pens. Fd.		248.6	+0.6	—
Equity Pens. Fd. Cap.		217.4	+0.6	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Equity Acc.	104.2	110.0	—	—
Fixed Interest Acc.	93.2	98.4	—	—
Intnl. Acc.	79.5	83.9	—	—
Managed Acc.	90.7	95.6	—	—
Property Acc.	113.0	119.2	—	—
Money Acc.	74.5	78.6	—	—
Special Market Acc.	66.5	70.2	—	—
Japan Acc.	62.8	66.3	—	—
North America Acc.	70.8	74.7	—	—
Pacific Acc.	48.2	50.9	—	—
Technology Acc.	67.4	71.1	—	—
Nat. Resources Acc.	51.8	54.7	—	—

OFFSHORE AND OVERSEAS

Inter-Dollar Fund	$4.45	4.80	—	—
Far East Fund	$3.36	3.62	—	—
Intl. Currency Fund	$1.74	1.89	—	—
Dollar Fxd. Int. Fund	$3.69	3.98	—	—
Ster. Exempt Gilt Fd.	£2.27	2.45	—	—

Providence Capital International Ltd.
PO Box 121, St Peter Port, Guernsey 0481 26726/9

UK Stockmarket	£1.378	1.482	—	—
Intl. Stockmarket	$1.002	1.078	—	—
World Technology	£1.273	1.369	—	—
N. Am. Stockmarket	$1.142	1.229	—	—
Far East	$2.991	1.056	—	—
UK Fixed Interest	£1.372	1.476	—	—
Intl. Fixed Int.	$1.129	1.215	—	—
Intl. Currency	$1.043	1.122	—	—
Intl. Money Market	$1.078	1.160	—	—
U.K. Money Market	£1.041	1.121	—	—
Stlg. Mangd. Fd.	£1.208	1.300	—	—
Dollar Mangd. Fd.	$1.125	1.210	—	—

Savings Target Rate £7¼/5¼%
Prices on Oct 26. Next dealing Nov 2.
For Quest Fund Mgn. (Jersey) see Royal Trust Intl. Mngt.

Quilter/Heinold Commodities
31-45, Gresham Street, EC2V 7LH. 01-600 4177

Resource Fund	$146.22	—	—	2.0

Next dealing date Dec 1.

Rea Brothers (IoM) Ltd
29 Athol St, Douglas IoM. 0624 21724

Bond Fund	£1.190	1.225	—	7.85

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Public Board and Ind.

77½	71¾	Agric. Mt. 5pc '59-89	74½	......	6.87	11.67
36	31¼	Met. Wtr. 3pc 'B'	36	......	8.45	11.23

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا من الأصل

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

LEISURE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

Tins

Miscellaneous

90	54	♥Anglo-Dominion	63	-4	—	—	—
93	54	♥Anglo Utd. Dev.	63	+1	—	—	—
172	60	♥Colby Res Corp.	110	-10	—	—	—
530	315	Cons. Murch. 10c	410	.....	‡Q60c	1.9	‡
240	170	Hampton Areas 10p	188	.....	3.75	2.1	2.8
215	103	♥Highwood Res.	150	-10	—	—	—
£24½	£17½	Homestake Mining $1	£18¾xd	+⅛	Q20c	—	0.7
495	230	Northgate C$1	250	.....	—	—	—
672	437	R.T.Z.	562xd	-8	†17.0	2.9	4.3
£147½	£109	Do.9%Cv.Ln.95-2000	£124½xd	-2	Q9½%	32.5	†7.8
190	13	♥Sabina Inds C$1	70	.....	—	—	—
750	312	♥Tara Exptn $1	650	-10	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ¶ Dealt in under Rule 163(3).
- φ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- φ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	62	.....	Fin. 13% 97/02	£94¾	-⅛
Bdgwtr. Est. 50p	295	.....	Alliance Gas	75	.....
Craig & Rose £1	£10½	.....	Arnott	285	.....
Finlay Pkg. 5p	37	.....	Carroll (P.J.)	99	.....
Higsons Brew.	63	.....	Concrete Prods.	75	.....
Holt (Jos) 25p	610	.....	Heiton (Hldgs.)	36	.....
I.O.M. Stm. £1	138	.....	Irish Ropes	34½	+½
IRISH			Jacob	83	.....
Exch. 12% 1985	£93⅝	-⅛	T.M.G.	85	.....
Nat 9¾% 84/89	£87¼	-⅛	Unidare	74	.....

OPTIONS

3-month Call Rates

Industrials		House of Fraser	20	Utd. Drapery	22
Allied-Lyons	13	I.C.I.	65	Vickers	12
BOC Grp.	20	"Imps"	11	Woolworth Hld.	38
B.S.R.	20	I.C.L.	7		
Babcock	15	Ladbroke	22	**Property**	
Barclays Bank	45	Legal & Gen.	45	Brit. Land	8½
Beecham	52	Lex Service	32	Cap. Counties	16
Blue Circle	45	Lloyds Bank	48	Land Sec.	28
Boots	16	"Lots"	4	MEPC	20
Bowaters	22	London Brick	10	Peachey	16
Brit. Aerospace	19	Lucas Inds.	15	Samuel Props.	11
B.A.T.	19	"Mams"	24	Town & City	4
Brown (J.)	2½	Mrks. & Spncr	20		
Burton Ord.	35	Midland Bank	48	**Oils**	
Cadburys	11	N.E.I.	10	Brit. Petroleum	38
Courtaulds	10	Nat. West. Bank	56	Burmah Oil	17
Debenhams	14	P & O Dfd.	21	Charterhall	9
Distillers	20	Plessey	19	KCA	6
Dunlop	6	Racal Elect.	20	Premier	6
Eagle Star	45	R.H.M.	7	Shell	55
F.N.F.C.	5½	Rank Org. Ord.	20	Tricentrol	22
Gen. Accident	42	Reed Intnl.	32	Ultramar	65
Gen. Electric	18	Sears	8		
Glaxo	75	T.I.	13	**Mines**	
Grand Met.	30	Tesco	17	Charter Cons.	28
G.U.S. 'A'	50	Thorn EMI	55	Cons. Gold	58
Guardian	45	Trusthouse	16	Lonrho	9
G.K.N.	16	Turner & Newall	7	Rio T. Zinc	62
Hawker Sidd.	28	Unilever	70		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES
Saturday November 5 1983

MAN IN THE NEWS

I didn't do it for the money

BY ANDREW FISHER

IT WAS shaping up as a tough week for Mr Graham Day, the blunt-spoken extrovert who runs British Shipbuilders. Just two months after he took over as chairman, the industry was threatened with a national strike over pay and an oil rig order worth nearly £90m also seemed set for cancellation.

But for the 50-year-old Mr Day, who came back from Canada to take the BS helm—"I didn't do it for the money; if I'm selling for pound notes, dollar bills, or whatever, I can do more somewhere else"—the week ended with more good news than bad.

Around midnight on Wednesday, after 14 weary hours of talks, Mr Day was able to announce that the strike threat had been lifted by the promise of an extra £7 a week in return for major improvements in productivity.

Some hours earlier, the Ministry of Defence had placed a £100m order for a submarine with the Vickers yard. And it emerged that next week would see the announcement of Swedish orders worth up to £100m for offshore vessels at the BS yard in Sunderland.


Hugh Routledge
MR J. GRAHAM DAY, the new Chairman and Chief Executive of British Shipbuilders

As for the possible scrapping of the Britoil rig order, Mr Day said the productivity deal could lead to new talks on renegotiating the price instead. Scott Lithgow on the Clyde is around two years behind schedule.

The more positive note after mid-week provided a cheerier background to the chairman's talks on Thursday morning with Mr Norman Tebbit, the new Trade and Industry Secretary, and for yesterday afternoon's launch at the Austin and Pickersgill yard of the first ship built by BS for Wah Kwong, Hong Kong's third largest shipping company.

Mr Day, whose father emigrated to Canada in 1921 and who has both a UK and a Canadian passport, was first associated with the British shipbuilding industry in the 1970s. He was brought in to turn round the Cammell Laird yard on Merseyside after his previous employer, Canadian Pacific, had ordered three ships there.

The yard had run into trouble and Mr Day worked out a programme to get the ships built. He was then asked to run the yard and later to head British Shipbuilders as the industry was being nationalised. But he became frustrated at delays in parliament and headed back to Canada in 1977.

So why did he come back? "That's always the most difficult question to answer," he says. Despite his £80,000 salary, with performance bonuses, he is adamant that money was not the chief lure. "I guess I've got an emotional pull for the UK. And for reasons I don't quite fully understand, I actually like shipping and shipbuilding."

But there was also the sense of a job left undone which led to his return to succeed Sir Robert Atkinson in the chair.

His open style is certainly different from that of the more prickly and formal Sir Robert. But both men are tough talkers and have left the 60,000 BS workforce in no doubts about the dire state of merchant shipbuilding.

Mr Day asserts that confrontation is non-productive. "I've never felt any need to make any macho gestures." If talks had broken down and a strike been called, he would have had to respect the unions' decision.

For the arduous job of running BS, Mr Day says he has inherited a tough constitution. "Disgustingly healthy," he calls himself. "My father's 83 and my grandfather died at 101, and my wife is just contemplating whether she can stand the pace for the next 40 to 50 years."

Exemption Bill for Stock Exchange published

BY JOHN MOORE AND PETER RIDDELL

THE BILL to exempt the Stock Exchange from proceedings under restrictive trade practices law was published yesterday.

The proposed legislation follows an agreement reached by the Stock Exchange and the Goverment in the summer. The Exchange was promised exemption from the effects of restrictive practices law in return for an undertaking to dismantle rules setting minimum commission charges on transactions in the market.

Before the agreement the Office of Fair Trading was pursuing legal action against the exchange and the case could have come before the Restrictive Practices Court.

Enactment of the Bill is expected to result in a once-only saving of about £500,000 in public expenditure. This represents fees and expenses which might have been incurred in respect of those proceedings.

The two-clause Bill should pass through Parliament relatively quickly. The Second Reading in the Commons is likely to take place the week after next.

Contrary to expectations, detailed examination will not take place on the floor of the chamber but in a small standing committee.

Government business managers are not expecting prolonged opposition, partly because the Bill is so short. The Labour and Alliance parties, however, criticised the original Government statement in July. The statement revealed details of the agreement.

There may also be rumblings of discontent from the Conservative side, partly because of dislike of legislation which affects retrospectively actions already before the courts and partly because of fears of greater government control over the exchange.

Most Conservative MPs, however, feel that in spite of their doubts the Bill is preferable to continued lengthy proceedings before the Restrictive Pracices Court.

The exchange is concerned about the Government's attitude to maintenance of the separation of functions of stockbroking and stockjobbing in the market.

Many firms believe that once minimum commissions are abandoned, commercial considerations will force jobbers and brokers to merge.

The Government has said the separation of functions should continue for the time being. Some of the Exchange's rules, however, which prescribe separation of capacity, may have to be included in statutory provisions under European Community directives.

This future legislation could hamper any mergers in the market. The Trade and Industry Department said yesterday the statutory provisions, which are not expected to be introduced until next year, were not obliged under European Community directives to provide precise definitions about separations of capacity.

The Department said yesterday: "We would go as far as we could to meet the Stock Exchange's wishes."

Investment houses outside the Stock Exchange may gain important business from brokers and jobbers unless the Stock Exchange moves quickly to change its structure, *says the City Capital Markets Committee.*

There was a "considerable danger" in continuing to prohibit dual capacity until the need for it emerges as a result of the activities of such investment houses. Brokers and jobbers could lose business in the interval before negotiated commissions and *dual capacity were introduced*—and they might never regain it.

De Lorean may testify to MPs

BY PETER RIDDELL IN LONDON AND LOUISE KEHOE IN SAN FRANCISCO

MR JOHN DE LOREAN has expressed an interest to come to Britain to give evidence to the parliamentary committee inquiring into the failure of his Belfast car company.

The odds, however, seem to be against his appearance, with or without an entourage of the media and Federal Bureau of Investigation officers, in view of his legal problems in the U.S. When charged with drug-trafficking he forfeited his passport.

Mr Robert Sheldon, chairman of the all-party Public Accounts Committee of MPs, said Mr De Lorean's London solicitors had been in touch in the past few days about the possibility of his testifying in person.

The solicitors are apparently considering a background memorandum on the company's failure, prepared by the Comptroller and Auditor General for Northern Ireland.

The committee will shortly start taking evidence from officials and others directly involved in the granting of public money to Mr De Lorean's company.

Obviously his presence would be a great help, particularly in clarifying the alleged diversion of government money to a Swiss company.

In California, Mr Howard Weitzman, his chief defence lawyer, said: "John would be very willing to go to England to testify. He could get permission if the House of Commons notified the court that it wanted him to attend.

No such notification has been received and Mr De Lorean has not applied to the court for permission to leave the country.

Mr Weitzman said: "The matter has not come up for some months. I am surprised that it has come up now. "We have a few other things on our minds."

He was referring to the issue of what is claimed to be an audio-taped conversation between Mr De Lorean and an FBI undercover agent.

Britain to block EEC energy spending

BY PAUL CHEESERIGHT IN BRUSSELS

THE UK will block EEC money being spent on energy projects of particular interest to West Germany, France and Italy unless there is progress towards agreement on financial aid for the coal industry.

This was the outcome of a meeting of EEC Energy Ministers in Brussels yesterday. The talks were described by Mr Alick Buchanan-Smith, the Energy Minister, as "totally confused."

Three areas of actual or potential EEC spending are at *stake:*

- Continuation of an EEC coking coal subsidy, which dates from the 1960s but expires on December 31 and mainly benefits West Germany by Ecus 50m (£29m) a year.
- Continuation of a new programme to foster energy demonstration projects involving, for example, the use of *industrial waste to generate* fuel. On this there is broad agreement to spend Ecus 300m over three years and France and Italy regard it as important.
- A proposal from the European Commission to spend Ecus 460m a year on the modernisation of the coal industry, including social costs, and the running down of stocks.

At least half the money spent on coal industry modernisation is expected to go to the UK.

Mr Buchanan-Smith said: "We have made a total linkage between these three elements. If other people want their elements, they have to agree to the coal package."

Although the UK has not specified how much it wants spent on coal modernisation, the Commission proposals are accepted as a negotiating starting point.

The UK stand prevents next month's summit of EEC leaders from having a ready-made package of energy items to feed into a programme aimed at relaunching the EEC. Only Greece and Ireland fully support the UK position, because they too would benefit. Negotiations on an energy deal will continue after the summit.

Greece seeks rise in funds, Page 2

Continued from Page 1

BP

many as 40 separate bids are accepted.

The Government might show some preference for smaller operators, while BP could prefer dealing with a smaller number of larger partners.

***The main rationale* for the buyers is that they will be able to offset expenditure incurred in exploration in other parts of the North Sea against taxes on their Forties production.**

BP lacked the necessary tax credits to take advantage of this position itself.

Continued from Page 1

IBH seeks protection

turing business to IBH in 1980, said it was not interested in getting involved in this sector again.

The SMH bank has a shareholding of about 7.5 per cent in IBH and has supplied financial support through its West German and Luxembourg banking operations.

In a rescue operation on Tuesday night it was agreed that about 20 banks, together with German banking system's desposit guarantee fund, would provide aid of about DM 630m to enable SMH to carry on normal banking business.

The Federal Banking Supervisory Office, which orchestrated the rescue, said that SMH faced "possible negative effects on its industrial activities in the non-bank area."

Bankers say that concern had arisen largely because of the group's commitments to IBH.

A six-man team from outside banks has moved into SMH for discussions with the present partners.

The scale of SMH's involvement with IBH has caused surprise in West Germany. The bank has operated as a limited partnership, with capital of DM 110m and balance sheet assets of DM 2.2bn.

BA profit-sharing

Continued from Page 1

the bonus," Lord King declared.

A full week's pay for BA's 36,500 UK staff is about £5m.

Lord King stressed that his objective was to motivate staff *to give their best to the airline.* He wished to boost the profits, which, he declared, were the basis of the airline's existence, and not a luxury.

"They are the basic essential for the future success of our business."

The scheme has already been outlined to all staff in meetings with union leaders and through a news sheet distributed yesterday.

In the latter Mr Colin Marshall, chief executive, said: "This is no tentative proposal, or any other kind of half-promise. The bonus scheme is in force now. The revenue we earn today is being counted into the total for bonus purposes.

"There are no catches. There is no ceiling. The more we bring in, and the more we save, the more we'll get. I hope the *bonus at the end of the year is* going to be a large one.

"It's one bill that British Airways will find it a pleasure to pay."

BA's half-year figures, issued yesterday, show total turnover up from £1.33bn to £1.39bn for the six months to end-September. The profit before tax and interest was £214m against £151m.

Lord King refused to be drawn on when privatisation would occur. Stressing that it was a matter solely for the Government, he said various schemes were under discussion, but he was not at liberty to reveal them.

- BA offered unions representing its 31,000 staff a second two-year pay deal yesterday which would raise basic pay by 3.5 per cent from January 1984, and 4 per cent from January, 1985, **John Lloyd writes.**

The first two-year deal, from January 1982 to December 1983, gave rises over the period of 11 per cent.

Yesterday's offer was presented to union leaders in the context of the profit-sharing scheme, which is seen in part as a means of moderating wage settlements.

Basic wage levels at BA before payment of overtime and flight allowances range from £5,000 for clerical staff to about £17,000 for pilots. The unions are studying the offer and will probably reply later this month.

Business video plan stopped by U.S. action

By Jason Crisp

A U.S. GOVERNMENT agency has stopped a major new transatlantic video-conference service for business planned by British Telecom and American Telephone and Telegraph (AT&T).

The U.S. Federal Communications Commission ruled that it was not a telecommunications service which could be offered directly by AT&T. The decision followed objections from Satellite Business Systems, the IBM, Comsat and Aetna Life joint venture which provides business services via satellite, which wants to offer a competitive transatlantic videoconferencing service.

A transatlantic link is seen as one of the most important tests for the viability of videoconferencing. Although the proposed BT and AT&T service would have cost user organisations about £2,000 an hour it could have saved travel and hotel costs.

This is the second time an FCC decision has stopped a transatlantic video-conferencing link. Earlier this year SBS was refused international carrier status by the FCC and has itself had to postpone a planned service, also with BT.

The FCC objected to AT & T's involvement because the service fell into the grey area between telecommunications and computer data.

It involved converting conventional analogue signals as used on ordinary telephones to digital and compressing them electronically, thus using fewer telephone circuits than would otherwise be necessary. The FCC said yesterday that the service should be offered by AT & T Information Systems, the subsidiary created by AT & T to sell competitive products and services outside the regulated telephone market.

This would mean AT & T would have to offer the international circuits for the service to competitors, such as SBS, at the same price as it charged *AT & T Information Systems.*

The proposal was also opposed by Compression Laboratories of California which has the major share of the U.S. videoconferencing equipment market. Compression Laboratories objected because AT & T and BT intended to use equipment developed to a European standard made by the Anglo-American company GEC-Jerrold.

Several organisations offer transatlantic videoconferences including Hilton Hotels and Bright Star, part of Visnews.

Weather

UK TODAY

FOG. Dry with bright intervals. Cloudy with rain in the SE and in N and Cen Scotland.

London, SE and Cen S England, Channel
Cloudy. Misty with rain. Max 13C (55F).

NW and NE England, N Wales, IoM. Borders, Edinburgh, Dundee
Early fog. Dry with sunny intervals. Max 12C (54F).

SW Scotland, N Ireland
Early fog. Cloudy with bright intervals. Max 11C (52F).

Rest of England, S Wales
Cloudy. Misty with rain. Dry with bright intervals later. Max 13C (55F).

NE Scotland, Orkney, Shetland
Strong winds. Cloudy. Rain. Brighter later. Max 9C (48F).

Rest of Scotland
Strong winds. Cloudy. Rain. Max 10C (50F).

Outlook: North, changeable. South, morning fog, dry and bright later, with rain in the S.W. later.

WORLDWIDE

	Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	S	20	68	Madeira	F	18	64
Algiers	F	23	73	Madrid	R	12	54
Amsdm.	S	11	52	Majorca	C	20	68
Athens	F	20	68	Malaga	C	18	64
Bahrain	S	25	77	Malta	F	21	70
Barclna.	F	16	61	M'chstr	C	11	52
Belfast	S	10	50	Melbne.	R	13	55
Belgrd.	C	15	59	Mx. C.†	—	—	
Berlin	S	11	52	Miami†	S	18	64
Biarritz	S	21	70	Milan	C	16	61
Bmghm.	R	12	54	Montrl.†	Sn	3	37
Blackpl.	C	11	52	Moscow	C	4	39
Bombay	C	32	90	Munich	S	13	55
Bordx.	S	18	64	Nairobi	C	25	77
Boulgn.	S	15	59	Naples	F	19	66
Bristol	C	13	55	Nassau	—	—	
Brussels	S	16	61	N'castl.	R	10	50
Budpst.	C	14	57	N Delhi	S	29	84
Cairo	S	27	81	N York†	S	4	39
Cardiff	C	11	52	Nice	F	19	66
Cape T.	C	19	66	Nicosia	S	27	81
Chicg.†	S	1	34	Oporto	S	19	66
Cologne	S	14	57	Oslo	F	7	45
Cpnhgn.	C	9	48	Paris	S	17	63
Corfu	C	19	66	Peking	S	15	59
Ralles	S	19	66	Perth	S	21	70
Dublin	R	9	48	Prague	S	9	48
Dbrvnk.	S	20	68	Rykjvk.	Sn	−1	30
Ednbgh.	S	10	50	Rhodes	S	22	72
Faro	F	21	70	Rio J'o†	—	—	
Florence	S	20	68	Rome	F	21	70
Frankft.	Fg	7	45	Salzbrg.	S	14	57
Geneva	C	8	46	S'cisco†	—	—	
Gibrltr.	C	18	66	Singapr.	R	26	79
Gl'sg'w	S	10	50	S'tiago†	—	—	
G'msey	C	12	54	Stckhm.	C	7	45
Helsinki	F	6	43	Strasbg.	S	9	43
H. Kong	S	27	81	Sydney	S	24	75
Innsbrk.	F	16	61	Tangier	F	23	73
Invrnss.	S	8	46	Tel Aviv	S	31	88
I.o.Man	C	10	50	Tenerife	R	20	68
Istanbul	S	17	63	Tokyo	C	17	63
Jersey	C	12	54	T'r'nto†	Sn	−2	28
Jo'burg	F	24	75	Tunis	S	20	68
L. Plms.	C	24	75	Valencia	C	17	63
Lisbon	C	16	61	Venice	S	16	61
Locarno	R	12	54	Vienna	F	11	52
London	S	14	57	Warsaw	S	12	54
L. Ang.†	S	16	61	Zurich	Fg	5	41
Luxmbg.	S	12	54				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow.
† Noon GMT temperatures.

THE LEX COLUMN

Fireworks in the equity market

The equity market has enjoyed its best week for precisely a year, with the FT-A All-Share Index running up 3.7 per cent to 431.09. The U.S. investment banks have been doing their bit—GEC is their flavour of the week—but mostly the improvement has stemmed from a slightly more optimistic reading of the economic tea-leaves, coupled with the increasing strength of institutional cash flows.

The financial sector has been holding centre stage, thanks to a pair of very large deals which suggested to the market that the long-discussed regrouping of the financial services sector may finally have arrived. Over the week, the composite insurance sector rose by 7.7 per cent, in the wake of BAT's offer for Eagle Star; while the marriage bans between RIT and Charterhouse helped to lift merchant banks by almost 10 per cent.

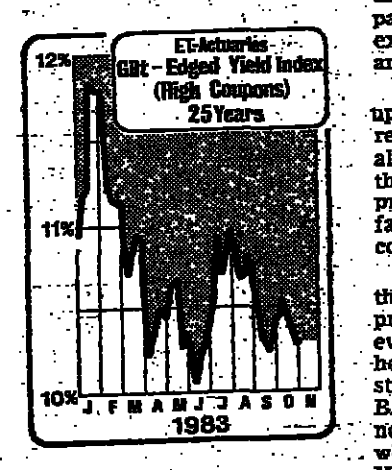
The gilt-edged market has not been able to match the strength in equities but, given the refunding worries in the Wall Street debt market, it has turned in a remarkably resilient performance. The Building Societies used the first two days of the week to pour their abundant receipts into special ex-dividend stock, since when prices have been holding steady. The market seems already to have discounted a less than encouraging set of banking figures next Tuesday.

IBH

The collapse of IBH under an insupportable debt load of DM 550m brings to a sad end one of Europe's most unusual experiments in industrial management. The arrangement by which companies selling assets to IBH agreed to take equity in exchange was designed precisely to prevent *yesterday's eventuality.* The recession in construction equipment markets was too prolonged and too deep, however, even for the nimble Herr Horst-Dieter Esch and now those who subscribed to the scheme will have to pick up the pieces.

The most immediate victims in the UK will be Powell Duffryn and Babcock International. Since IBH was in no position to pay dividends, the damage will be confined to the balance sheet. Each company may need to write off an investment totalling around £19m in Babcock's case and £15m for Duffryn. The losses will presumably be taken as extraordinary items in the next accounts.

Index rose 3.6 to 718.3



The most *serious* worries, however, centre on Blackwood Hodge which depends on IBH for a sizeable proportion of its overall distribution business. Despite the recent destocking, BH's inventories must total close to £100m and its balance sheet is in an appalling condition. Some parts of the IBH operation, such as Terex, can almost certainly be salvaged but even these may be taken over by companies with their own distribution networks. The market's verdict was clear enough. While the Babcock and Duffryn share prices dropped about 4 per cent on the day, the BH price slid 3½p to a new low of 8p, at which level the whole group is capitalised at under £7m.

British Airways

After the turbulence of recent years, the Government will be extremely relieved to see British Airways flying more smoothly towards the runway in Throgmorton Street. The timing of any privatisation exercise may now hang as much on the Government's other commitments, notably British Telecom, as on the financial performance of the airline. Even a year ago, that would have seemed a most unlikely proposition.

In the six months to September the group made a trading *profit of £214m, enough to cover* interest costs four times over. Even allowing for a strong seasonal bias towards the first half, BA should exceed its earlier forecast of a full year trading profit of £250m with considerable ease.

Mainline traffic volume was down 4.5 per cent against the same period of last year so the 42 per cent improvement in trading profits evidently derives from tighter control of costs and a gain in revenues per passenger kilometre which, excluding currency effects, was around 11 per cent.

The solid foundation of the upturn will go some way towards reassuring prospective investors alarmed by the cyclicality of the airline industry but, in its present form, BA is still very far from being a saleable commodity.

The balance sheet is still in the sort of condition to give a private sector finance director—even in the airline business—a heart attack. Despite the much stronger trading performance, BA will this year make virtually no impact on a debt mountain which totalled just over £1bn in March. The company's chairman is hoping to take off into private ownership with a balance sheet showing debt equivalent to around one third of shareholders' funds but that hope is almost certainly forlorn. The Government, however, will need little reminding of the effect which an overgeared balance sheet had on stock market sentiment during the Britoil flotation. And, yesterday's figures notwithstanding, Britoil was a higher quality investment than BA is ever likely to be.

Mellins

Even by the distinguished standards of Turkish-led textile companies, the share price *performance* by Mellins has been extraordinary. Having hit an adjusted peak of 240p earlier in the year, the shares were trading at a panic-stricken 47p at the beginning of this month, prompting the company to accelerate the publication of its interim statement.

The news that losses in the six months to June shrank from £183,000 to £166,000 at least helped to settle the share price, which closed 2p lower at 70p. But a company does nothing to lay fanciful stock market rumours to rest by producing a statement as sketchy as this one.

Much of the chairman's statement is devoted to vague talk of unspecified contracts and opportunities which are expected to arise shortly. The figures themselves are presented in a cursory fashion excluding, for example, any mention of interest costs. And that from a company which even after a recent rights issue must be sporting debt in excess of shareholders' funds.